

CA 20N

Z 1

-22H401

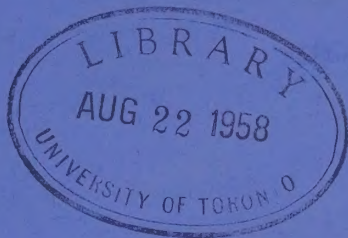
#429

ATCHER & CO.
REPORTERS
D.G., TORONTO

Commission 1922-24

J.A. ROSS.

429



HYDRO ELECTRIC ENQUIRY COMMISSION

QUEENSTON - CHIPPAWA

Estimates and Appropriations

TORONTO, MARCH 20TH, 21ST, 1923.

W. C. Coe,
Official Reporter

HYDRO ELECTRIC INQUIRY COMMISSION.

I N D E X.

TORONTO, TUESDAY, MARCH 20, 1923.

QUEENSTON - CHIPPAWA.

	<u>Page</u>
Appearances	4000
Feel Counsel should now be engaged . . .	4000
Statement by HON. MR. LUCAS . . .	4002
Counsel may be retained later on by Commission . . .	4004
The CHAIRMAN'S reply to statement by HON. MR. LUCAS . . .	4010-15
HON. MR. ROWELL ; . . .	4015
<u>W. V. POPE</u> , K.C. sworn, Ex'd. by HON. MR. ROWELL . . .	4016
Is Sec'y. of H.E.P.C. . . .	4016
Has charge of the legal work also . . .	4017-19
The internal organization of the Commission described . . .	4020-23
Minutes for 1913 and 1914 required . . .	4023
Quotes minutes of June 23, 1915 . . .	4024-5
" " Sept. 13, 1915 . . .	4025
<u>EXHIBIT NO. 1</u> : Filed by : Minutes of H.E.P.C. : HON. MR. ROWELL: Sept. 13, 1915 : 20 Mar. 1923 : . . .	4026
Further quotation from above . . .	4027
Report to the Premier . . .	4027-8
Page 12 of report quoted . . .	4028-9
Minutes of Nov. 26 quoted . . .	4029
Lr. from Premier to Chairman of Comesh. 5 Oct. 1915 . . .	4030

I N D E X (Cont'd.)

	<u>Page</u>
<u>EXHIBIT NO. 2</u> : Filed by : Report of H.E.P.C. : HON. MR. ROWELL: 13 Sept. 1915 : 20 Mar. 1923 : . . .	4030
<u>EXHIBIT NO. 3</u> : Filed by : Lr. Premier to : HON. MR. ROWELL Chrmn. pf Commsn. : 20 Mar. 1923 : 6 Oct. 1915 and : : reply of Chrmn. : : 25 Oct. 1915 . . .	4030
Quotes Lr. to Premier signed by witness . . .	4031-2
HON. MR. LUCAS ; minute of 6th Jan. 1916 .	4032-3
<u>EXHIBIT NO. 4</u> : Filed by : Lr. Pope to Pyne : HON. MR. LUCAS 24 Apl. 1916 : 20 Mar. 1923 : . . .	4033
Witness not familiar with reports; did not handle them personally . . .	4034
Quotation from the Act . . .	4037
At the time the Act was passed, many deputations were asking for more power . . .	4038
An Order-in-Council obtained to do the work covered by Secs. A and B . . .	4038
<u>EXHIBIT NO. 5</u> : Filed by : Orders-in-Council : HON. MR. ROWELL: 15th June, 1915 and : 20 Mar. 1923 : 6th July, 1915 : . . .	4039
Act of 1917, Sec. 3 . . .	4039
No construction done until 1917 . . .	4040
Minutes of 21st June, 1916 . . .	4041
" 18th July " . . .	4041-2
" 8th Aug. " . . .	4042
" 22nd Nov. " . . .	4042-3
Memo of Nov. 25th, 1916 . . .	4043
<u>EXHIBIT NO. 6</u> : Filed by : Memo of Nov. : HON. MR. ROWELL: 25th, 1916 : 20 Mar. 1923 : . . .	4043

Digitized by the Internet Archive
in 2024 with funding from
University of Toronto

I N D E X (Cont'd.)

	<u>Page</u>
<u>EXHIBIT NO. 7:</u> Filed by : Lr. Premier	
: HON. MR. ROWELL: to Pope	
: 20 Mar. 1923 : Jan. 1917 . . .	4044
 <u>EXHIBIT NO. 8:</u> To be filed :	
: by MR. GABY : Plans	
: : . . .	4046
 Minutes of 12th Dec. 1916 . . .	4050
" 27th " " . . .	4051
" 17th Jan. 1917 . . .	4051-2
 <u>Noon adjournment</u> . . .	4052
 <u>Afternoon Session</u>	4075
 <u>W. V. POPE, Ex'n. resumed by HON. MR.</u>	
ROWELL . . .	4075
 Minutes of 19th Aug. 1914 . . .	4075
 Reports, estimates and appendices referred to by Mr. GABY . . .	4077
 As to width, depth and diversions . . .	4078
 <u>EXHIBIT NO. 9:</u> Filed by : Plan showing earth	
: Mr. GABY : and rock section	
: 20 Mar. 1923: etc. at Queenston	
: : 6th Jan. 1917 . . .	4079
 <u>EXHIBIT NO. 10:</u> Filed by : Plan No. A-6-3-9-D	
: Mr. GABY : 6th Jan. 1917,	
: 20 Mar. 1923 etc. . . .	4080
 <u>EXHIBIT NO. 11:</u> Filed by : Plan No. A-6-3-10-E	
: Mr. GABY : 6th Jan. 1917	
: 20 Mar. 1923 etc. . . .	4080
 Act of 1916 quoted . . .	4081
 Witness does not think Commsn. had anything to do with wording of that legislation . . .	4082
 As to identification of certain plans and report	4083

INDEX

EXHIBIT NO. 1: Filed by : Mr. [illegible]
: Mr. [illegible]
: Mr. [illegible]
4004

EXHIBIT NO. 2: Filed by : Mr. [illegible]
: Mr. [illegible]
: Mr. [illegible]
4005

Minutes of 1918 Year : 1918
" " " : 1919
" " " : 1920
4006

From [illegible]

Afternoon Session

W. L. [illegible], [illegible] of [illegible]
[illegible]
4007

Minutes of 1918 Year : 1918
4008

Reports, estimates and expenditures referred
to by Mr. GARY
4009

As to which, [illegible] and [illegible]
4010

EXHIBIT NO. 3: Filed by : Mr. [illegible]
: Mr. [illegible]
: Mr. [illegible]
: Mr. [illegible]
4011

EXHIBIT NO. 4: Filed by : Mr. [illegible]
: Mr. [illegible]
: Mr. [illegible]
4012

EXHIBIT NO. 5: Filed by : Mr. [illegible]
: Mr. [illegible]
: Mr. [illegible]
4013

As of 1918 [illegible]
[illegible]
[illegible]
4014

As to identification of certain
[illegible]
4015

-4-
I N D E X (Cont'd.)

	<u>Page</u>
Lr. Middleton to Pope 13 Jan.1917 4084
Request Nov. 25th, 1916, to Premier 4084-5
do. 11 Jan. 1917 4085
<u>EXHIBIT NO. 12</u> : Filed by : Lr. Pope to Premier	
: HON. MR. ROWELL: 11 Jan. 1917, etc.	
: 20 Mar.1923 : . . .	4086
<u>EXHIBIT NO. 13</u> : Filed by : Report from Chf.	
: MR. POPE : Eng. to Sir A.	
: 20 Mar. 1923 : Beck, 11/1/17	. . . 4089
Deputation visited Parliament Bdlgs, and interviewed the Govt.	. . . 4092
Changes in width and depth of canal	. . 4095-8
New estimates prepared	. . . 4099-01
Johnson's report	. . . 4102
Feb. 5th 1918, Lr. to Premier	. . . 4102
Lr. to Mr. McGarry. 25 Feb. 1919	. . . 4103
<u>EXHIBIT NO. 14</u> : Filed by : Lr. Premier to H.E.P.C.	
: HON. MR. ROWELL 31 Jan.1918 and reply	
: 20 Mar. 1923 : 5 Feb. 1918	. . . 4104
Engineers thought Canal ought to be even deeper than 33 ft.	. . . 4106
Minute Apl. 27th, 1920	. . . 4110
Lr. McGarry to Pope, 25 Feb.1919	. . . 4111
Reply to same	. . . 4112
Only estimates before Commsn. were the former ones; had been no revision in a formal way	. . . 4115
Estimate of additions in view of change in lining and excavation only one prepared	4116
<u>EXHIBIT NO. 15</u> : Filed by : Lr. Feb. 25th 1919	
: HON. MR. ROWELL: from McGarry	
: 20 Mar. 1923 : and reply thereto	4117

I N D E X (Cont'd)

	<u>Page</u>
W. W. POPE, Ex'n. resumed by HON. MR. ROWELL	4118
Letter to Prime Minister contains full report	4119
Cost per H.P. would be \$6. on 300,000 development	4120
Will try to locate 300,000 estimate	4121
Estimate of 3rd January, 1919	4121
Estimate Mr. Pope had before him when writing letter of Feb. 25, 1919	4122
<u>EXHIBIT NO. 16</u> : Filed by : Report of April, : Mr. Rowell, : 1918, referred to in : 21st March, 1923. : minutes of Board of : April, 1918	4123
Letter dated Feb. 25, 1919	4123
Next estimate communicated to the Government indicating total cost of work	4124
Act of 1917 gave power to go on with work	4125
No minute showing authority for letter written to Mr. McGarry	4126
Minute of March 23rd, 1920	4127
Prime Minister's letter of March 18th	4128
Total investment to Oct. 31st, 1919	4129
<u>HENRY G. ACRES</u> , Ex'd by HON. MR. ROWELL	4130
Familiar with estimates, etc. . . .	4130
No estimate at that stage for 300,000 development	4132
Estimated cost for 300,000 as compared with 200,000 development	4133
<u>EXHIBIT NO. 17</u> : Filed by : Queenston-Chippawa : Hon. Mr. Rowell, : development evolu- : 21st March, 1923. : tion of the canal : section	4134
General description of canal	4134
Took opinion of outside expert	4135

I N D E X (Cont'd)

	<u>Page</u>
Reply of Commission dated Jan. 12, 1917, to letter from the Prime Minister	4136
Total cost represented witness' view	4137
Changes made between Jan. 1917 and Feb. 1922,	4137
Complete new estimate, Nov. 1917	4140
No work commenced prior to this time	4140
First electrical shovel commenced on March 16th	4142
<u>EXHIBIT NO. 18</u> : Filed by : Engineering data, : Hon. Mr. Rowell : chronological : 21st March, 1923. : charts, prepared : by Mr. Francis	4143
Contour surveys and borings more complete	4143
Report on 300,000 development	4145
Next change was decision to line canal	4147
<u>EXHIBIT NO. 19</u> : Filed by : Appendix : Hon. Mr. Rowell : No. XIII to : 21st March, 1923. : Estimate 2A, com- : piled by : Mr. Acres	4149
Estimate dated Jan. 3, 1919	4149
Estimated cost covers outstanding changes	4150
\$786,000 added as an item of extra cost	4152
Did not consider re-estimate necessary	4152
Date of instructions to proceed with work on revised basis	4153
Change in intake	4154
Mr. Gaby's letter to Mr. Francis outlining development	4155
No further estimate until Cooper one	4156
Suart & Kerbaugh's estimate carried witness' judgment	4157
All estimates since were made by Consulting Engineers	4158
Estimates compiled at request of Inquiry Commission	4159

I N D E X (Cont'd)

	<u>Page</u>
Estimate prepared by Chief Engineer	4159
Changes in cost of labour and material between Estimates 2 and 2A	4160
Letter of April 24th, 1916, from Secretary to Acting Prime Minister	4161
<u>W.W. POPE</u> - Ex'n. resumed by HON. MR. ROWELL	4163
<u>EXHIBIT NO. 20</u> : Filed by : Letter of the : Hon. MR. ROWELL : Prime Minister, : 21st March, 1923. : 18th March, : 1920. . . .	4163
Why experts called in to report	4164
Letter, Mr. Gaby to Mr. Francis	4164
Increased estimated total cost dealt with when estimates were being asked for	4166
Estimates recognized as request for money to Government	4167
Prime Minister anxious to get total cost . .	4167
<u>EXHIBIT NO. 21</u> : Filed by : Letter of Jan. : Mr. Rowell, : 21, 1921, from : 21st March, 1923. : Acting Chairman : to the Prime : Minister	4168
<u>EXHIBIT NO. 22</u> : Filed by : Letter from : Hon. Mr. Rowell, : Homer Wallis : 21st March, 1923. : to J.W. Gilmour, : Treasurer of : H.E.P.C., dated : Feb. 12, 1921. . . .	4168
<u>EXHIBIT NO. 23</u> : Filed by : Letter dated : Hon. Mr. Rowell, : 10th Nov. 1921, : 21st March, 1923. : from Prime : Minister to : Col. Carmichael	4170
Letter, Col. Carmichael to Sir Adam Beck, dated Nov. 29, 1921	4172

I N D E X (Cont'd)

	<u>Page</u>
<u>EXHIBIT NO. 24</u> : Filed by : Letter from Col. : Hon.Mr.Rowell, : Carmichael to : 21st March,1923.: Sir Adam Beck, : dated Nov.29, : 1921 . . . 4173	
<u>EXHIBIT NO.25</u> : Filed by : Letter from : Hon.Mr.Rowell, : Sir Adam Beck : 21st March,1923.: to Prime Minister, : dated Feb.2,1922 4173	
<u>EXHIBIT NO. 26</u> : Filed by : Letter from : Hon.Mr.Rowell, : Sir Adam Beck : 21st, March,1923.: to Prime Minister, : dated Dec.17,1921. 4173	
<u>Adjourned</u> at 4.55 p.m.,Wednesday, 21st March,1923, until 10.30 a.m., Thursday, 22nd March, 1923 4176	

HYDRO - ELECTRIC INQUIRY COMMISSION

TORONTO, MARCH 20, 1923.

P r e s e n t:

W.D.GREGORY, ESQ., CHAIRMAN.

M.J.HANEY, ESQ., COMMISSIONER.

LLOYD HARRIS, ESQ., COMMISSIONER.

R.A.ROSS, ESQ., COMMISSIONER.

J.H.W.BOWER, ESQ., SECRETARY.

Q U E E N S T O N - C H I P P A W A

ESTIMATES AND APPROPRIATIONS.

N.W.ROWELL, ESQ., K.C., Counsel for the Commission.

J.B.ALLEN, ESQ.

I.B.LUCAS, ESQ., K.C.,

F.A.GABY, ESQ., Chief Engineer,

W.W.POPE, ESQ., K.C., Secretary of the Hydro Commission, and

H.G.ACRES, ESQ., Representing the Hydro Electric Commission.

THE CHAIRMAN: Soon after the appointment of this Commission, we announced that it was our intention to proceed with the inquiry ourselves and not, at that time, engage counsel to conduct it. We stated at the same time that if occasion arose later on in which we thought it well to employ counsel we would do so. We have proceeded along these lines up to the present, now when we are beginning the investigation of the Queenston-Chippawa undertaking, we have given consideration to the matter, and it being a work of such magnitude, we felt counsel should be engaged, the amount of work being beyond the

power of the ~~Chairman~~ of this Commission to take up along with his other duties, and the Hon. Mr. Rowell has been engaged to conduct the examination of the witnesses. We have at the same time instructed Mr. Rowell that he is not here to make out a case against any person, as counsel might in a law-suit, but what we desire him to do is to bring out all the facts in the matter, so that the members of the Commission may be assisted in arriving at a right and sound conclusion. That is Mr. Rowell's position today. We have also advised the Hydro Electric Power Commission of Ontario of the course we are taking and stated to them that if they desire that counsel should appear to represent the Commission they would be at liberty to have counsel for that purpose. I think you have been advised of that, Mr. Lucas?

MR. LUCAS: Yes.

THE CHAIRMAN: I understand you are appearing for the Commission?

MR. LUCAS: Yes. Mr. Chairman and Gentlemen, no official notice has reached the Commission of the attitude that you were taking, as to the appointment of counsel.

THE CHAIRMAN: Last week on learning that Sir Adam Beck was absent from the City, I wrote to the Hon. Mr. Carmichael, as senior member, advising him of our position and asking him to bring it to the attention of the other members at once.

MR. LUCAS: Col. Carmichael did communicate with me to that effect and I assume he did to his fellow Commissioner, Mr. Ramsden, but what I meant was no official communication, as far as the officials see it. I think I

received my communication last night, but we did see the notice in the press.

THE CHAIRMAN: That notice appeared in the press after I had communicated with Col. Carmichael.

MR. LUCAS: Yes; however, nothing is turning upon that now, I think, except, perhaps this, that as you know, Mr. Chairman, Sir Adam Beck, the Chairman of the Commission, is in bed in London and has been there for about two weeks, -I understand quite ill, -and is still confined to his room and under his doctor's care, since this new feature of the investigation has developed he has practically not been able to give any attention to the affairs of the Commission. There has been no meeting of the Commission, as a Commission, since your communication to Col. Carmichael, or since any knowledge of the matter reached the officials of the Commission; so that we have no official instructions, no instructions as to whether or not the Commission desires to be represented by counsel at this stage of the inquiry. I think, however, the view of the Chairman of the Commission, Sir Adam Beck, is, and I think it is concurred in at any rate by Col. Carmichael, that if my learned friend, Mr. Rowell's instructions are as you stated, Mr. Chairman, and if Mr. Rowell is here in a judicial position to bring out fairly all the facts in their proper proportions and not to unduly emphasize defects or criticisms and to give credit where credit is due, in other words, not to act as counsel for anybody, but simply to bring out all the facts, then, Sir, I know it is the view of the Chairman and I think it is as well the view of the other Members of the Commission, that no more

suitable counsel for such a work could be named than Mr. Rowell. That, I am sure, is the Chairman's view and the view of the Commissioners as well and I have no doubt the Commission will take that attitude when they meet officially. I am instructed to say that the officials will co-operate and be glad to co-operate with Mr. Rowell in every way possible in bringing out all the facts in connection with this great public work.

Now, if as the inquiry develops, charges are to be made or criticisms of a serious character are to be made, they should be specific in character and we should know of them in advance. I think that is fundamental to any fair inquiry.

THE CHAIRMAN: I think in this case we gave you, some time ago, the returns made by our engineer upon this matter.

MR. LUCAS: Yes, I think so, and I am going to refer to that in a moment. I say that, as a general principle, is fundamental to all proper inquiries and will commend itself not only to Mr. Rowell but to yourselves. In short, that if it develops, as this inquiry goes on, that there are features of it which amount to a criticism of any serious moment of the position or attitude of the Hydro Electric Power Commission of Ontario, in order to answer that we should have specific information as to the character of any such criticisms or charges in advance of any charges being made here. It then will be open, and I am sure that is the view of Col. Carmichael as well as the Chairman and I have no doubt of Mr. Ramsden, that if such state of affairs does develop and some charge of serious

import is made and we think the Commission should be represented by Counsel, it may be that later on, in connection with some of these matters, counsel may be retained; that is a matter for future consideration by the Commission when the situation develops.

I might be permitted to point out, as I have pointed out on one or two other occasions and as other members have pointed out, that that ~~has~~ not been the past practice of your Commission.

THE CHAIRMAN: What is that?

MR. LUCAS: To give any specific information in advance as to particular charges or complaints against the Commission. You see how useless it would be to attempt, and upon me would devolve some responsibility of instructing counsel upon charges or complaints or criticisms and I could not instruct him on something about which I knew nothing. They can only be answered, as they have been answered before your Board, at the moment, as they are made here from time to time, without any previous knowledge. I want to make it clear that entering upon the important investigation you are now entering upon, involving so many considerations, what my meaning ^{and} is/I cannot make my meaning clearer as to the specific character of the information we desire in the future in the conduct of this investigation, than by pointing out some of our past difficulties before your Commission. You will recall, Mr. Chairman and Gentlemen, on more than one occasion protests have been entered on behalf of the Commission against your method of procedure. While in some cases the Commission have had knowledge of

the nature of the charges or complaints as outlined here by the witnesses, in most cases neither the Commission nor any of its officials would have any knowledge whatever of the character of the complaint until it was exploited before Your Commission; although, as a matter of fact, I understand, the information would be laid before your Commission before it was developed here in a public way. The result was that the officials who happened to be present at the time, without having had an opportunity to prepare and of learning first ~~what~~ the complaint ~~was~~, would be compelled to make whatever answer they could upon whatever available information happened to be at hand at the time. If that procedure were followed now, when specific charges or complaints were made, you will see, Mr. Chairman, how utterly impossible it would be to instruct counsel to adequately undertake to represent the Commission under any such method of procedure. So I am hoping that in this connection, if there are complaints or criticisms of a serious character, it will appeal not only to Mr. Rowell but to yourselves to give us adequate information in advance, where any evidence of a character to reflect upon the Commission is about to be presented to you. I am sure the Commission, perhaps not due to the fault of anyone, has drifted into that method of procedure, not realising how unfair that practice must necessarily operate against the Hydro Commission. I am sure neither you nor any member of the Commission desire in your conducting of the proceedings, that any injustice should be done to the Hydro Commission.

The Commission was appointed, I do not know how many months ago now, and you have had at your service

and in your employment, a very large and competent staff of engineers. I now refer to the reports of the engineers that you, Mr. Chairman, mentioned a moment ago. You have had a large and competent staff of engineers, lawyers, accountants and auditors and a clerical staff, I assume in all perhaps fifty, ^{all these} and for months this large and skilful and well-equipped staff has been engaged in gathering and marshalling information for your Commission and properly so. They have had open to them every ledger, every book, every file and every record and every pay-roll and data of all kinds and descriptions, in the possession or under the control of the Commission, whether in reference to the question of Niagara Development or any other Hydro field of operations. They have had, I think they will say, the full co-operation and assistance of every Hydro official that they went to for information. This is the particular feature to which, you will pardon me if I refer, the Commission feel that you have drifted into a practice that has been unfair to the Hydro Electric Power Commission of Ontario. Your representatives have visited practically all parts of the Province of Ontario and interviewed people as to their grievances and have interviewed commissions and individuals. To your man in the field who visited different towns and cities, the man with the grievance or the grouch was a find and he was invited to appear before your Commission and state his case and if I understand the practice, he was not only invited to do so but he was paid his expenses for doing so and no matter how inadequate his knowledge was or information was, the Commission was a form of Publicity Bureau where he could

safely make all kinds of charges against the Hydro and make them without notice to the Hydro or without any opportunity for the Hydro to answer them. The Hydro throughout have had two main objections to that procedure, the first is if a charge is to be made in public against the Hydro we should have notice in advance of the nature of the charge so as to be ready to answer on the spot and we should be at liberty to cross-examine the man who makes the charge, not only as to its material but as to his motives, I will be glad if that practice is now to be departed from and if that occasion comes we shall have the liberty to cross-examine. I can only say this, that it seems to me that when we needed counsel we were not permitted to have counsel and at this stage when I see no necessity for counsel we are permitted to have counsel.

Now we come to the Niagara investigation.

We have in the Order-in-Council reasonable details of the character of the investigation. We have some knowledge as to what the evidence will be directed to and the Commission will have no grievance and can have no grievance if every word and tittle of evidence and every scrap of information in reference to the questions detailed in the Order-in-Council are brought out, as I have no doubt they will be brought out by my learned friend, Mr. Rowell. If, however, ^{you} depart from this general statement in the Order-in-Council and specific charges made reflecting on either individual officials or on the Commission, outside of that, we should have, I say, specific information in advance.

Now, you have said, Mr. Chairman, that the engineers

who have for all these months, with their large staff, investigated the engineering features of the Niagara Development, have very courteously, I understand, furnished the Commission with copies of their reports, so that the Commission have reasonably full information as to the character of the material that they have gathered together. Your auditors, I submit to you now, should do the same. The Hydro surely has been well audited, The Government auditors, a very well known firm, Messrs. Clarkson, Gordon and Dilworth, as you know, and appointed by the Government, have a continuing audit of the Hydro accounts in connection with the Niagara-Queenston Development, that firm of Government named auditors with their staff have been and are continuing to audit, in the minutest detail, every expenditure of the Hydro. Then your own auditors are re-auditing the accounts and have been for all these months re-auditing our books and our accounts in order to place information before you, so that I say we have been well audited and well checked up and if there is anything wrong it will surely be found out and I submit, to you now, Sirs, that the auditors who have gone over these accounts and who have furnished your Commission with their reports in great detail, should give the officials of the Hydro Accounting Department duplicates of these reports, so that they may know the nature of the reports and the nature of the evidence that is to be brought out here.. In the meantime the Hydro are willing to put themselves, as I said before, in Mr. Rowell's hands and I might be permitted to say in his presence that we have every confidence that Mr. Rowell is eminently the counsel to conduct a judicial

investigation before this Commission. The Hydro Will not ask and do not desire to be exempt from criticism. There will be many details which can be criticised but the public and the Commission and the counsel will remember that this is an after-criticism and that men are often wiser after any great work of this magnitude has been carried out and the details always can be criticised and the Hydro are not adverse to criticism of details; but in the final report and in the conducting of these proceedings, I hope that not only will the details of this great work be criticised, but as well, credit will be given, not only to the man who conceived and who has been the driving force behind this ^{the} greatest enterprise of its kind in the world and has put it upon a successful business operating basis, not only he, but the engineers who have carried out the work, unique not only on this continent but in the world, will receive due credit and that the small criticisms as to details will not be magnified and the great accomplishment, they have been able to bring about, entirely overlooked.

We are ready to proceed with the inquiry without counsel, placing ourselves entirely in the hands of the counsel selected by you, in confidence that we will receive at his hands fair treatment.

THE CHAIRMAN: I understand you are counsel for the commission?

MR. LUCAS: No, I am not, my duties are very routine and I am overwhelmed with routine duties.

THE CHAIRMAN: What do you call your office?

MR. LUCAS: I do such legal work as they ask me and they ask a lot.

THE CHAIRMAN: You have appeared before us very frequently.

MR. LUCAS: As a witness.

THE CHAIRMAN: As counsel, and you have examined witnesses and I think no one is more familiar with it than yourself. You have certainly some familiarity with the subject. I have not interrupted you at all because I thought I would let you make your full statement, although perhaps you have gone beyond making a statement. I might say that from the first we have notified the Commission in advance of the subjects which were to be taken up and the principal witnesses have been, in almost every instance, your own staff, so that the subjects we have taken up have been matters within their knowledge more than ours. If anyone has made a complaint to us we very often know nothing more than the fact that there is a complaint and I think in nearly every instance the complaint has been made to the Hydro Commission before it was made to us. I can say further that if we had taken up all the complaints that had been made to us, our sittings would have been more than double the time that they have occupied, but after making investigations ourselves, we did not deem it necessary to deal with them. Every matter which has come before us and upon which we have reported, has been a matter that was dealt with at public hearings and every facility has been given to the Hydro Commission to answer anything that has been brought up and we have often adjourned our sittings so that they might have an opportunity to do so. From the first it has been our desire to have a full and free investigation and to allow everybody who was criticised

in any way, the fullest opportunity to answer the criticism that was made. We have made no redddit of the Hydro books and accounts but our auditors have assembled and made special reports upon certain features of the accounts but there has been no attempt to reaudit them. The most serious charges against the Commission have been made by its own officials, by its auditor, Mr.Clarkson, and not by any outsiders that we have brought in. From the first we have endeavoured to give ~~you~~ the fullest opportunity to answer any charges that have been made. We have given you in advance reports of the engineers, they have been given to you under our instructions and we have sought in every way to facilitate you in bringing your evidence before us.

MR. LUCAS: Perhaps no good purpose, Mr.Chairman, can be served by my debating this question with you.

THE CHAIRMAN: I do not think so, Mr.Lucas.

MR. LUCAS: I think perhaps you would allow me to illustrate my objection by one case that came before you, the appearance of Mr.Arthur Hawkes, he came here and for two days made a most outrageous and fiolent charges and complaints against the Hydro and we were not allowed to cross-examine him.

THE CHAIRMAN: You had every opportunity, you were here all the time yourself.

MR. LUCAS: I know I ~~was~~ was here but the ruling of your Commission was that no counsel should be here to cross-examine, he had the right to make a speech and we had no right to interrupt.

THE CHAIRMAN: Any official of the Hydro had the right to ask questions. You have never at any time been

checked in any question you asked and you have asked hundreds or thousands of them.

MR. LUCAS: No, I never did, I think three pages would cover all the questions I asked and they were after your permission and leave had been asked.

THE CHAIRMAN: Permission was never withheld.

MR. LUCAS: I know, but I have never attempted to cross-examine. I say it is fundamental and the meanest criminal -

THE CHAIRMAN: Anything that Mr. Hawkes or anybody else said, if you want^{ed} to answer it you could have had an opportunity at any time of doing so.

MR. LUCAS: Let me say this and then I am through.

THE CHAIRMAN: In every case you have had an opportunity to answer charges.

MR. LUCAS: I thank you for the courtesy you are extending to me now and I hope I am not abusing it, but I want to make clear that we have protested from time to time against the procedure and we cannot illustrate it more clearly than in Mr. Hawke's statement for some hours on two days. He took up the time here with a prepared document, making all kinds of charges against Hydro and its officials, throwing insults right and left to everybody connected with Hydro and he had a free forum and a dignified commission in order to dignify statements that otherwise would not be dignified by Arthur Hawkes if given outside this room.

THE CHAIRMAN: And in the presence of counsel.

MR. LUCAS: In the presence of the officials whom he was insulting and on an occasion when he was not allowed

by your ruling to be crossexamined by counsel.

THE CHAIRMAN: You can question him at any time.

MR. LUCAS: I say the meanest criminal in this country would have better treatement; it is a fundamental principle of British justice that charges shall not be made in public before any tribunal against any individual involving his property, his liberty or his reputation , without first giving notice to that man of the nature of the charges and without giving him a full opportunity of cross-examining the man who makes the charges.

THE CHAIRMAN: You had a full opportunity.

MR. LUCAS: These fundamental principles have been violated and I venture to say you will not find that practice followed before any commission that ever sat in this country at any time in its history that the evidence of Arthur Hawkes given here making these unfounded charges without an opportunity of cross-examining and without a reprimand, Sir, from you.

THE CHAIRMAN: What Mr. Hawkes wished to say and what he did, he is responsible for and you had the fullest opportunity, at any time, to question him and you had the fullest opportunity to reply to what he said if you wished to and we would be glad to give you an opportunity and if you still wish to reply to what he said you shall have an opportunity to be heard. I might say that Mr. Harris suggested to me that there is one thing in which we quite agree with you and that is the courtesy and helpfulness we have received from the members of your staff, they have been very helpful to us and it would have been almost impossible for us to have done what we have without their

assistance and co-operation and I hope that assistance and co-operation will still continue.

MR. LUCAS: I am sure it will and I am sure that anything that has happened here has not been deliberately done, as I said before, you drifted into that way of doing things and you have heard complaints -

THE CHAIRMAN: I think it is quite natural that we should, that is what we are here for..

COMMISSIONER HARRIS: That is what we are here for.

MR. LUCAS: I appreciate that, Mr.Harris and Mr.Chairman.

COMMISSIONER HARRIS: We do not know what complaints are going to be made by witness who come before us.

MR. LUCAS: That might be, however in most cases you did know.

THE CHAIRMAN: In the Ottawa case where certain charges were made they were sent to you before they were sent to us. We did not know what these people would say before they came here and in the Eugenia Case before the people came down they had made their statement to you and you certainly did not suffer, your officials were right here and could give their side of the question immediately. I am surprised that you have been under the impression that at any time there has not been full opportunity given as far as this Commission was concerned.

MR.LUCAS: These were cases in which I should have liked to have had an opportunity of cross-examining these witnesses sharply and at length, however, I do not want to go into that again. I am sure every member of the Commission, the Chairman and the officials, feel that

what I am pointing out to you is our point of view and it is quite natural and it has been more or less a matter of drifting into that method but I am appealing to your judgment when I say that you have put us into a somewhat unfair position. Supposing somebody came up and made a complaint against Mr. Harris and came here and voiced it, it would be taken down verbatim and printed and yet it might be utterly unfounded and it might be given in an absolute lack of knowledge and on inadequate information, yet the charges would go out and be spread in the newspapers.

COMMISSIONER HARRIS: In other words you think this inquiry should be carried on by the newspapers. We are here to get the facts and to deal with facts only. We do not know whether we are getting fair play by the newspapers or not. I do not think we do in all cases, especially some papers. You have had an opportunity this morning of getting your story out.

MR. LUCAS: Getting ourselves squared as well as we can.

COMMISSIONER HARRIS: Let that story go out now and let us get on.

MR. LUCAS: On with Niagara; all right.

MR. ROWELL: Mr. Chairman and Members of the Commission: You, Mr. Chairman, have correctly stated the instructions this Royal Commission has given to me and the subject matters upon which you have asked me to conduct the investigation are set forth in the Royal Commission appointing this Commission, namely, the first seven items enumerated in the subject matters referred to your Commission for investigation.

It is the intention to open this investigation by taking up the first and to some extent the second item covered in the Royal Commission. The first is: "All estimates submitted from time to time to the Hydro Electric Power Commission of Ontario for the Queenston-Chippawa Power Development, and also all estimates for the said work submitted by the said Commission to the Government of Ontario." The second is: "The reasons for increases from time to time in the estimates for the Queenston-Chippawa Power Development.

To some extent the subject matter of questions number two and the matters in questions three, four, five, six and seven will be dealt with at a later date. The subject of the inquiry this morning will be the estimates. As this is opening the inquiry on the Chippawa matter it is my thought to ask Mr. Pope, the Secretary of the Commission, to give us some general information relating to the organization of the work in connection with Chippawa which it will not be necessary to repeat when we come to the other branches of the inquiry.

W. W. POPE, E. C.

Sworn.

EXAMINED BY MR. ROWELL:

Q. You are Secretary of the Hydro-Electric Power Commission of Ontario? A. Yes.

Q. How long have you held that position? A. Since October, 1909.

Q. Was that the date of the organization? A. No, they were organized before that.

Q. In addition to Secretary, what other position have you

filled in connection with the Commission? A. I have had charge of the legal work.

Q. Then the Secretarial work of the Commission and the legal work of the Commission have been under your charge?

A...Yes.

Q. From 1909 down to the present time? A. Down to the present time.

Q. As secretary what have your duties been; I just want to know what work comes under your charge as Secretary?

A. All the work that would ordinarily fall upon a Secretary of a Commission such as that.

Q. Reports that would be presented to the Commission for their consideration would come to you as Secretary, would they? A. Not necessarily; if it was in connection with the construction or engineering or hydraulic work, it would probably come through the engineers to me to be presented to the Board.

Q. But they would come to you for presentation to the Board? A. Yes, sir.

Q. So that the matters that would come before the Board for consideration from time to time would come through you to the Board and you would present them to the Board for consideration? A. Yes, sir.

Q. Then, with regard to the Commission minutes, were they also under your charge? A. Yes, sir.⁵

Q. As Secretary? A. Yes, sir.

Q. Did you attend the meetings of the Commission?

A. Practically everyone.

Q. Took the records of the proceedings? A. No, I have a shorthand writer who takes the records in shorthand and

THE JOURNAL

OF THE

AMERICAN

PHYSICAL

SCIENCE

AND

THE

ARTS

AND

THE

SCIENCE

OF

THE

ARTS

AND

THE

SCIENCE

OF

THE

ARTS

AND

then they are extended and presented to me and I go over them carefully and then they are presented to the Commission later on for ratification.

Q. You have had charge of the minutes of the Commission and are responsible for their accuracy, from 1909 up to date?

A. I had charge of them.

Q. They were prepared under your supervision? A. Yes, sir.

Q. In connection with the legal work, did the entire legal work of the Commission come under your charge? A. Yes, I got such assistance from time to time, with the approval of the Commission, as I required.

Q. Then questions of legislation affecting the Commission would come under your charge? A. Well, largely, yes.

The method in connection with legislation usually was to go over changes that they thought it was necessary to have in the Hydro Act to meet difficulties that had arisen during the year and then they were presented to the Law Office Department in the building here and the necessary legislation prepared. The nucleus of what was to be covered was given to the law clerk here.

Q. You being in charge of the legal end of the work for the Commission, acted for the Commission in connection with the legislation? A. I considered the matter with the law clerk and he did the legal preparation.

Q. You would be familiar with all the legislation from time to time in connection with the work? A. Fairly so.

Q. When it came to the question of dealing with the Government, who had charge of communications with the Government in reference to estimates or appropriations or plans or Orders-in-Council and so on? A. If it went through the Commission,

I would make communication and convey it to the Government or the Chairman himself might carry on some negotiations and I am not sure but the Chief Engineer at times carried on negotiations with the Government in reference to it.

Q. You said if it came direct from the Commission itself you would do it? A. If it went through the minutes,

if there was a Commission meeting and the Chief Engineer would be told to attend to it or I would be ' we would carry out the instructions of the Commission.

Q. In the absence of expressed direction to the Chief Engineer or some other official of the Commission, it would be your duty as Secretary, would it, to see that the decisions of the Commission in that regard were

acted upon? A. If I was directed to do it I would do it, or somebody else would, I would call their attention to it and see that they did do it.

Q. It was under your charge? A. In a sense, yes.

Q. When it came to requisitions for Orders-in-Council either authorizing the work or requesting advances, would these requests be made by you as Secretary?

A. I think so, generally.

Q. Then you would be familiar with the requisitions from time to time made to the Government for Orders-in-Council or for appropriations which the Commission had authorized?

A. They are matters of record in the Commission, I could not remember them all.

Q. I do not expect you to remember them, they were matters that were in your charge? A. Yes.

Q. Just tell us, Mr. Pope, because I am not as familiar with this as some others, so that I can follow it intelligently

will you describe the organization of the Commission for the purpose of carrying on its work? A. It is all defined in the Statute.

Q. The internal organization, you have three Commissioners?

A. Yes, sir.

Q. Who constitute the Commission? A. Yes.

Q. And they meet from time to time to deal with matters requiring the attention of the Commission? A. Yes.

Q. How frequently do they meet? A. Generally, once a week, sometimes twice a week, other times they may go past and do not have one every week.

Q. Who prepares the agenda for you? A. It is prepared by Mr. Settell who is associated with me, upon material furnished him by the different Departments of the Commission.

Q. Then it is prepared under your direction, Mr. Settell would submit it to you? A. Not until it was completed and ready for the Commission; the Chief Engineers hands in the greater part of the material which comes before the Commission.

Q. In matters that were to be considered at any particular meeting of the Commission who would have the final authority in determining the agenda? A. Anything that was presented by the Chief Engineer or his assistant that would require attention would go on the agenda or anything that I had, any communications or matters that I thought I would like to consult the Chairman about I would put them on. Everything that was necessary to go before the Commission was put on the agenda.

Q. If a matter did not come on the agenda it would be because it had not been brought to your attention or for

some reason it had been decided not to take it up at that particular meeting? A. That might be, or it might not have been reached at that time.

Q. Just describe briefly the organization of the Commission for its particular work, your Chief Engineer is Mr. Gaby?

A. Yes.

Q. Go on and describe the organization, because I want to come to the beginning of the Chippawa Development?

A. Mr. Gaby has charge of the engineering, hydraulic, in fact the construction and operation of the system.

Q. He is the Chief Engineer? A. He is Chief Engineer in charge.

Q. Of the whole operation? A. Yes, and he has a variety of Departments and assistants in these Departments to carry on the work under him and report to him and he to the Commission.

Q. Both in construction work and in operation Mr. Gaby is the Chief Engineer in charge of the whole undertaking?

A. Yes, sir.

Q. Dealing simply with construction work, who superintends immediately below Mr. Gaby? A. Mr. Acres is Hydraulic Engineer; Mr. Brandon is the designer, I do not know just what title he holds; Mr. Trimble is in connection with construction and then there is a multiplicity of other young engineers taking care of the rural construction and various kinds of construction going on, but they are all under Mr. Gaby.

Q. You said Mr. Acres had charge of the Hydraulic Department?

A. Yes.

Q. Who has charge of the electrical department? A. Mr. Gaby.

Q. Mr. Gaby takes direct charge of that himself? A. Yes.

Q. Coming down to the organization as it applies to the Chippawa Development will you describe the organization in charge of the Chippawa Development? A. Well, I could not do that justice, Mr. Rowell, because I am not as familiar with the numerous works which covers some 12 miles of territory and at one time there was employed as many as eight thousand men. From my end of it I knew generally it was going on but to describe its organization it would be necessary to get data from Mr. Gaby or Mr. Acres who was absolutely in charge.

Q. The work was in general charge of Mr. Gaby, Chief Engineer of the Commission? A. Yes.

Q. What branch of the work was in charge of Mr. Acres, did he have charge of ^{the} whole thing under Mr. Gaby?

A. Yes, sir, except, I think, the equipment in the station.

Q. Who was in charge on the ground? A. Mr. Acres.

Q. Mr. Acres was in charge on the ground? A. Yes.

Q. Mr. Acres was under Mr. Gaby and was in charge of the whole work except the equipment in the station?

A. Yes, the electrical equipment.

Q. When it came to the preparation of reports on this work for the consideration of the Commission, who prepared these reports? A. I could not say as to that.

Q. You do not know? A. No.

Q. Who did you receive them from? A. Mr. Gaby.

Q. They came from Mr. Gaby to you? A. Yes.

Q. You presented them to the Commission? A. Yes.

Q. Now, I want to get a brief outline of the history of the development first getting the main data before us as the records may disclose; when did this matter of the Chippawa Development first come before the Commission for consideration? A. As far as I know, in 1915 and I think possibly earlier than that, I think it was first mentioned as early as 1913.

Q. I just want to follow the history so far as the minutes disclose; is there any minute in 1913? A. I did not bring the minute book as far back as that, I think 1915 was as early as I started. I do know it was discussed sometime in 1913 but whether before the Commission or not I could not say without looking at the minutes.

Q. If you have not the minutes for 1913 and 1914 here, you can bring them up after lunch? A. Yes.

Q. And then we can see what the minutes show in these two years with reference to the work? A. Yes. I may say that I think the Commission can furnish you that because they have a staff of men there checking and cross-checking and re-checking our minutes and they have been there for months and months and months and I understand they have a complete record index of every minute we have; I am told they have.

Q. I have not seen it if there is? A. I know they had the minute books out away back in 1915 and 1916.

THE CHAIRMAN: We have no index of the minutes prior to 1918.

MR. POPE: They have gone through the minutes prior to that time.

THE CHAIRMAN: I do not think they have made

any index.

TO MR. ROWELL:

Q. What I want to do is to follow the records from the start? A. I quite appreciate that.

Q. If you can, this afternoon, bring up the minutes for 1913 and 1914 and have a member of your staff who can turn up the minutes relating to this matter, you will facilitate our inquiry and I would be obliged. You have the minutes here for 1915? A. 1915, I have the records although I did not bring them all up.

THE CHAIRMAN: Any record we have of the minutes is entirely at your disposal and we hope you will use it in any way you wish.

MR. POPE: I know that; I have not got our minutes extended.

THE CHAIRMAN: We have not any index of the complete minutes.

MR. POPE: They are being indexed and they are probably indexed up to 1920.

TO MR. ROWELL:

Q. I have a note of a minute of July 30th, 1915; if there are any earlier than that I would like to see them?

A. That is where I start, I had a young man make out this list and I see July 30th is the first minute.

Q. Will you kindly turn to that minute? A. Yes.

Q. Will you read the minutes appearing June 23rd, 1915?

A. It is July 30th. "The question of development at Niagara Falls was taken up and carefully discussed. The report of the Chief Engineer as to the investigation under way was presented and the Chairman was instructed

to communicate with the Government setting out the merits and advantages of the scheme after which the whole Board should attend before the Government with reference to the same."

Q. Can you tell whether that was the first formal communication to the Government in connection with the development? A. I do not think so; no, I am sure there were communications prior to that. I do know from my own knowledge that Sir Adam was urging, as early as 1913, to go on with it.

Q. We will come back to that. Have you in your records a communication which the Chairman made at this time can you tell me whether it was verbal or in writing?

A. I could not tell you without searching the records. I was order^{ed} to bring my files here, there are 200 boxes and I could not bring them all.

Q. I asked to have these minutes relating to this matter and any documents referred to in the minutes, so that we could just follow the thing historically? A. I would have to do a lot of work to get that for you.

Q. I have no record in any information furnished to me of any written report at that time and yet there may be, and I want to find out if there was? A. The file I have here stops in September 1915.

Q. What is the date of your next minute? A. September 13th, 1915.

Q. Will you tell me what that minute is? A. This is 13th September, 1915, "A report re Niagara Development was presented to the Board and carefully considered. After discussion the Chairman was authorized to sign the same and the Secretary to transmit it to the Hon. Mr. Lucas, for presentation to the Government."

Q. Have you that report? A. I presume it is in the records.
(Produced).

---MINUTES of the Hydro Electric Power Commission of Ontario
marked EXHIBIT NO. 1.

Q. This is a formal application apparently to the Government
for approval of the policy of the Chippawa Development?

A. I expect that is the report referred to in the minutes.

Q. This is the first record I have seen of a formal
application to the Government in writing in connection with
this development and if there is anything earlier than that
I should be glad if you would turn it up? A. I will look
that up.

Q. That contains an estimate of the cost, does it not?
I think you will find on page 10 of this formal memorandum
under the heading of "Possible Schemes of Development"
an outline of the proposed development with an estimate
of the cost? A. That is for a limited amount of power,
300,000 h.p.

Q. I notice it states: "Under the proposed scheme of
development, water would be drawn from the natural channel
of the Niagara and Welland Rivers to a location below the
Whirlpool, at which point an effective head of 305 feet can
be obtained after considering all the losses of transmission
from the Welland River to the above location. This is the
highest economic head which it is possible to obtain under
any scheme of development at Niagara which will comply with
the Treaty requirements.

Careful surveys have been made of this Queenston-
Chippawa scheme of development with detailed explorations
of earth and rock strata and other engineering data necessary

to enable estimates to be prepared of the cost of the development.

It was found that on the basis of an ultimate 300,000 H.P. capacity equipment installed, the development could be made for \$10,500,000 with an annual charge of approximately \$944,600.00 per annum, including operation, interest, sinking fund, maintenance and all other operating charges, or an equivalent of \$9.44 per H.P. per annum for 100,000 H.P. Without depreciation and sinking fund, the annual charges for 100,000 H.P. would be \$7.00 and for 75,000 H.P. - \$9.20.

Estimates were also prepared to cover capacities up to 200,000 and 300,000 H.P. which indicate that 200,000 H.P. can be developed at a price not exceeding \$7.00 and 300,000 H.P. at a price not exceeding \$6.00 per annum, including interest, sinking fund and depreciation charges." So far as you are aware, Mr. Pope, would that be the first estimate presented to the Government of the cost of this development? A. I would not say that without searching the records.

Q. If you can find any prior estimates I should be glad to have them. That is a formal report addressed to the Premier, it is headed, "Report to the Honorable, The Premier of Ontario and the Cabinet Council, dealing with certain facts and recommendations relative to the power situation at Niagara Falls, and the supply of power to the municipalities in Western Ontario."

Then the report reviews the whole power situation and concludes with a strong recommendation in favor of this

development?

A. Yes, Sir.

Q. And it is signed by the Chairman of the Commission?

A. Yes.

COMMISSIONER HARRIS: What was the estimated cost?

MR. ROWELL: \$10,500,000 for 100,000 H.P. equipment.

TO MR. ROWELL:

Q. Then under the heading of Recommendations I find the following, on page 12, of the report: "It is very urgent that the Commission provide for an additional amount of power in the near future, to meet the demands of the municipalities in Ontario, taking into consideration that the requirements of the Niagara District will use the full amount of power under contract with the Ontario Power Company before the year is ended."

Then skipping a few words: " The construction of a plant as outlined in this report will meet these conditions for some time to come and provide an ample supply of power for the municipalities in Western Ontario at a minimum cost." I see at that time the estimated time necessary to complete the works and have the development ready for operation was three years. You will find that on page thirteen?

A. Yes.

Q. Then the closing paragraph appears to give an estimate of the annual requirements in finances; will you just tell us what these are? A. 1916 shall not exceed \$500,000; 1917 \$3,000,000; 1918 \$5,000,000 and the remainder in 1919.

Q. Then that is the report referred to in the minutes of September 13th which was approved by the Commission and the Chairman was authorized to sign and transmit to the Hon. Mr. Lucas. Can you tell me, Mr. Pope, whether any further documents were transmitted to the Government at that time? A. From my personal knowledge I could not say, I would have to look through the records. Mr. Lucas thinks there was.

MR. LUCAS: There is a document showing the character of the estimate.

TO MR. ROWELL:

Q. You can check that up and see? A. Yes.

Q. Can you tell me what was the next step so far as your records disclose, have you any further minutes in the year 1915? A. November 26th.

Q. Will you tell me what that is? A. November 26th, 1915

"Niagara Power. The Chairman reported the result of his visit to the Government as to additional power and the Secretary was directed to write the Prime Minister that the Board unanimously endorsed the scheme and urge that the ~~matter~~ receive early attention at the hands of the Government."

Q. Have you got the letter which you, as Secretary, wrote? A. I presume it is in the records, sir.

Q. Apparently there was some correspondence in the month of October, there is a letter from the Prime Minister to

Sir Adam, Chairman of the Commission, and then a reply from the Chairman of the Commission to the Prime Minister, dated October 25th? A. If you would give me some idea of what you want I would have the staff look it up but I cannot tell you what happened five or six years ago and place it on the table, but if you give me in detail what you want I will have it here.

Q. We will get along as quietly and pleasantly as we can?

A. We are not going to get along unpleasantly.

Q. I want to get your assistance if we can to facilitate in turning up the records referred to in these minutes.

I want to get the history for our subsequent investigation?

A. I am satisfied you have copies of everything.

Q. You have before you a letter from the Prime Minister to the Chairman of the Commission? A. I have copies.

Q. Dated October 5th, 1915? A. Yes.

Q. In which he asks for additional information and in which he says, "I would be glad if you would supplement the report you have already supplied the Government in this matter" I assume that refers to the report we have already been discussing, of the 13th September? A. I presume.

Q. Can you tell us if there is any other report?

A. He does not give any date, I presume that would be it.

---REPORT of the Hydro Electric Power Commission of Ontario, dated 13TH, SEPTEMBER, 1915, marked EXHIBIT NO. 2.

---LETTER of the Prime Minister to the Chairman of the Commission, dated October 6th, 1915 and reply of the Chairman, dated October 25th, 1915, marked EXHIBIT NO. 3.

Q. I notice in this letter of the Prime Minister to the

Chairman of the Commission of October 6th and the Chairman's reply of October 25th, 1915, in paragraph three of the letter of the Prime Minister he asks "Revised figures as to the amount of money required for the proposed development in each year until its completion. I understand yesterday that the engineers had revised the estimate of the amounts required since the report I have was received."

Q. Coming to the estimates, the revised figures as to the amount of money required for the purpose of development each year until it is completed, the engineers of the Commission have confirmed their estimates by actual data secured in the field and consider that the money requirements for 1916 will not exceed \$500,000; for 1917 \$3,000,000; for 1918 \$5,000,000 and the remainder in 1919 and 1920."

That appears to have been the considered view of the engineers of the Commission at that date as transmitted by the Chairman to the Prime Minister? A. That is what he said in his letter.

Q. Your minute of November 26th, 1915, refers to a letter which you were to write to the Government. Can you tell me if that letter would be the one appearing in the files of December 6th, 1915? A. Or is there one earlier than that?

Q. It is to the Prime Minister and signed by you, as Secretary, "At a recent meeting of the Commission, the matter of an increased power demand in the Niagara District was discussed, and I was authorized by the Commission to communicate with you and urge that owing to the increased demand for power by the municipalities in the Niagara District and that notwithstanding the fact

that they have obtained all the available power, the Commission are still unable to meet the demand, and desire to impress upon your Government the necessity of immediate action being taken respecting the development of power in the Niagara District"? A. That appears to be the letter.

Q. What is the next record in connection with the matter?

A. June 6th, 1916.

Q. What happened between these dates? A. I cannot tell you, except by the records.

Q. Perhaps I can refresh your memory, I want from the records of the Commission the acts - I find the Act relating to the development of power appears to have been procured during these dates. The Ontario Niagara Development Act, appearing on page 205 of the printed acts of the Hydro Electric Power Commission, appears to have been assented to on April 27th, 1915; that would be between the minute of November, 1915 and the minutes of June, 1916; have you any minute whatever relating to the application for this Act? A. Well, that Act had been before the House for a long time, I know they had been working at it before that time.

Q. Is there any minute at all in the minute books of the Commission in reference to this legislation?

MR. LUCAS: I think if you look at January 6th, 1916, you will see a minute, pages 266 and 292, "Niagara Development discussed and Commissioner Lucas authorized to take the matter up with Mr. George Kilmer" and on page 292 there is a further reference to February 10th, "Communication from the Secretary of the Prime Minister

stating that the necessary legislation authorizing the Chippawa-Queenston Power Development would be submitted by the Government to the House at the next session, was read and noted"

Q. What is the next minute? A. April 20th, 1916.

Q. What is that minute? A. " The matter of Niagara Development was taken up and given lengthy and careful consideration, it was decided that the Secretary be instructed to write the acting Prime Minister that owing to the urgency for an additional supply of power in the Niagara District, that the Government issue the necessary authority to allow them to proceed with the work found necessary and that a sufficient sum be placed to the credit of the Commission to meet the expenses of carrying on such preliminary work."

Q. Did you write pursuant to that instruction? A. I presume I did, I have no doubt I did.

Q. Do you recall what reply you got? A. No, I do not.

Q. I judge it would be your letter to Dr. Pyne of April 24th, 1916? A. That would be the letter.

Q. I will draw your attention to it? A. Apparently it is not on our file, I do not know that we have anything on our files any more, they have gone all over the shop the last year.

---LETTER dated April 24th, 1916, from Mr. Pope to Dr. Pyne marked EXHIBIT NO. 4.

Q. I notice in this letter you asked that the Government issue the necessary authority to allow the Commission to proceed with the works provided in subsections A and B of Section 3 of an Act respecting public development of water power in the vicinity of Niagara Falls, together with

such other engineering work as may be found necessary for the work provided for herein; that would be a request for authority to proceed under the Act which was then before the Legislature? A. What is the date of that.

Q. April 24th, 1916. "A" is the one to "Enter upon, survey and lay out, all such lands, water, and water privileges and water powers as may be required for the construction of the works hereinafter mentioned" and "B", "Acquire options upon and enter into preliminary contracts for the purchase of land for sites, right-of-way, the location of buildings, plant, works, machinery and appliances required for the works hereinafter mentioned." A. To do the preliminary preparation work.

Q. They also ask approval of the plans and reports submitted by the Commission and on file with the Government and that out of the amounts appropriated for this work a sufficient sum should be placed to the credit of the Commission to meet the expenses of carrying on such preliminary work" What were the plans and reports submitted by the Commission and on file with the Government? Would that be the report of the 13th September and the subsequent report of October which we have referred to or were there any others? A. Whether there were more than that I could not say, I am not familiar with these reports because I did not handle them personally.

Q. I would be glad if you would check that up; that is your letter to the acting Prime Minister requesting approval of certain plans? A. Whatever they had at that time.

Q. We have got two reports from the Chairman to the Prime

Minister giving information, if there were any others I would like to have them? A. And the plans.

Q. If there are any other reports and plans I would be glad to have them. I have not seen them and if there are any I would be glad to know what they are? A. I will look that up.

Q. I want to look at the Act for a moment, Mr. Pope; you had to do with this legislation? A. Very little.

Q. You knew the provisions of the Act? A. No, not in detail, I knew the Act was being prepared by the Government; we had counsel employed to look into it, Mr. Kilmer, and Mr. Lucas was on the Commission.

Q. You followed the legislation you told us and looked after legal matters pretty closely yourself? A. Ordinarily, yes.

Q. I want you to look at the Act "Whereas the Hydro-Electric Power Commission of Ontario, after investigation by its engineers, has reported to the Government upon a scheme for the development of a supply of power from the Niagara River and its tributaries, and has prepared estimates of the cost thereof" You see the Statute itself recites certain plans submitted and certain estimates of cost. Now, what I want to ask you is: are the plans and estimates or the estimates contained in the Chairman's letter to the Prime Minister, the estimates which the Commission submitted to the Government and which are referred to in this Statute? A. I cannot tell you that, I do not know exactly what plans and estimates we had on file at the time this Act was being drafted.

You have already told us that as Secretary of the Commission these matters, from the Commission's standpoint, were in your charge. If you cannot tell me now I would like you to check it up with your associates or any of the staff so as to be able to tell me and tell the Commission whether we now have before the Commission, the reports and estimates which the Government had before it when it introduced this legislation; you can tell us that after lunch? A. I do not think I could get it that quick, I will have to go through the files.

Q. You can let us have it tomorrow so that there will be no misunderstanding, I want you to be able to tell us the full information which the Government had when this Bill was put through and which is referred to here as: "The Hydro-Electric Power Commission of Ontario after investigation by its engineers, has reported to the Government upon a scheme for the development of a supply of power from the Niagara River and its tributaries"?

A. It would be on the Government files I suppose.

Q. I have not so far seen anything than that I have submitted to you, there may be something else, I don't want to make any mistake, if there is anything else I would like to see it. Anything I have got I am going to show you and I want to make sure whether we have it all or not. I assume the Commission itself had before it the estimates from the engineers upon which the Chairman made that report to the Prime Minister? A. No doubt.

Q. Have you got that estimate? A. Well, it may be on file, Mr. Gaby would know better about that than I.

Q. For the purpose of getting the narrative of this matter in chronological order, I would like if you would have the necessary officials with the files, so that we can follow it through step by step and get the history?

A. Have you that estimate, Mr. Gaby?

\$ MR. GABY: I do not know that I have it in my possession just here, it is on file at the Commission's office.

Q. This Act further recites, "Whereas there has been a general demand upon the part of the inhabitants of the said municipalities that the Government of Ontario should develop, through the Commission, power sufficient to meet the present and future requirements of the municipalities" Can you tell me what is referred to in that recital, is that some formal action of the municipalities? A. Every municipality in the Niagara District had petitioned for more power, they were clamouring for more power.

Q. Is that the petitions which are referred to in this Act?

A. I presume so, it is a fact, and I know associations, municipalities, manufacturers, persons and companies were asking for power.

TO THE CHAIRMAN:

Q. Have you got them on file?

A. We have a great many.

TO MR. ROWELL:

Q. I understand there were certain resolutions or petitions at a later date, the next year? A. By-laws.

Q. I am dealing now, Mr. Pope, with the situation at the time this legislation was passed, if there were any resolutions by municipalities at this time, would you kindly

have that matter checked up? A. I will, I know there were deputations galore asking for more power.

Q. I just want to get the basis on which this legislation was passed. Now, the scheme for the development of a supply of power reported on to the Government at this time was what we know today as the Chippawa Development, was it not, although, of course, it has been very materially enlarged since that date? A. The same work.

Q. That is the diversion of the water by an open canal down below the Falls? A. Yes.

Q. I note by the Act, Section 3, the Government may authorize the Commission to do certain work and the different matters which the Government may grant authority to the Commission to do are enumerated in subsections A, B, C, D and E of this Section 3. Did you get authority from the Government by Order-in-Council to do the work covered by Section A and B? A. We got an Order-in-Council.

Q. The Order-in-Council of June 15th, 1915 and a subsequent Order-in-Council of July 5th, 1915, these two orders, the first Order-in-Council is that the Hydro Electric Power Commission of Ontario be authorized and directed to enter upon survey and lay out all such lands, water privileges, and water powers as may be required for the construction, maintenance and operation of the works; that would be authority to act under Clause A of Section 3? A. Yes, it speaks for itself.

Q. Then the Order-in-Council of 6th July, 1915 provides that the Hydro-Electric Power Commission be authorized to proceed as provided in section B of Clause 3 of Chap. 20, 6 George V, and B is to acquire options upon and

enter into preliminary contracts for the purchase of land for sites, right-of-way, the location of buildings, plant, works, machinery and appliances required for the works hereinafter mentioned." You recollect getting these Orders-in-Council? A. Yes.

---ORDER-IN-COUNCIL dated June 15th, 1915 and ORDER-IN-COUNCIL dated July 6th, 1915 marked EXHIBIT NO. 5.

Q. Did you get any Order-in-Council authorizing you to proceed under "C", construct works and so on; I have not so far found that in any of the Orders-in-Council that have been submitted to me? A. I cannot say.

Q. You were requesting an Order-in-Council under "C" but I do not see so far any copy of an Order-in-Council?

A. We got an amending Act the following year.

Q. Would that be your answer; you got an amending act which gave you authority to proceed without any Order-in-Council? A. That is what happened, the Act speaks for itself.

Q. The Act of 1917, Section 3, provides "The Commission shall have and may exercise all the powers set out in section 3 of The Ontario Niagara Development Act for the construction and operation of the works in the said section mentioned, for the supply of electrical or pneumatic power or energy to municipal corporations which have heretofore entered or may hereafter enter into contracts with the Commission for the supply of electrical or pneumatic power or energy from the Niagara River or Welland River."

Apparently the effect of the Act of 1917 was to do away with the necessity for securing the approval of the Government to the construction of the work under section 3 of

the Act? A. You can interpret that Act just as well as I can.

Q. You are an officer of the Commission and I want to ask you why? A. I am not interpreting the Act.

Q. Is that correct? A. That is the wording of the Act.

Q. Prior to the 1917 Act the consent of the Government was necessary, their approval was necessary to the construction of the work? A. I am not sure that it was, I disagree with you, I do not think it was; we did get it but I do not think it is compulsory.

Q. Just look at the section of the original Act? A. We did no construction until in 1917.

Q. I am not now speaking of construction work, I want to get the record of the legislation and the official Acts of the Commission, we will deal with construction later on. The Act of 1916, section 3, Mr. Pope, if you will just look at it, says the Government may authorize the Commission to do the work? A. Yes, sir.

Q. The Act of 1917 says the Commission may do the work?

A. Yes, there is no question about 1917.

Q. Under the Act of 1917 the consent of the Government was not necessary to the Commission going on with the construction work? A. The Act of 1915 was worded differently and said with the consent of the Lieutenant-Governor in Council, there was no word of that kind in '16, anything we did in '16 we got an Order-in-Council.

Q. There is nothing in the Act of '17 requiring the consent of the Lieutenant-Governor in Council to doing the work? A. Apparently not.

Q. Can you tell me why the change? A. I do not know.

Q. You do not know why; you were Secretary of the Commission

and in charge of these matters, I would like you to try and recollect, if you can, what was the occasion for this important change in the legislation? A. I presume that is the way the Government wanted it.

Q. Is that the way the Hydro Commission asked to have it?

A. I could not say. The Act was drafted between the Government and the Law Department and that is the form it took and they passed it.

Q. Perhaps a reference to the minutes may help us out on that? A. Of course in the interval we had resolutions from all the municipalities asking for this change.

Q. Let us see these by-laws? A. You have them.

Q. Let us come back to the minutes and follow them through, the last minute you gave me was, I think, April 20th, 1916?

A. June 21st, 1916 is the next "Order-in-Council approved on the 16th June re Niagara Development was read and carefully discussed, the Board decided that a further report should be made to the Government, that inasmuch as the present situation was exceedingly advantageous for the securing of the necessary right-of-way, that the necessary authority to purchase the same should be given at once." Then you did make application for authority to purchase right-of-way and you secured an order-in-council of July 6th, 1916, already referred to, giving you authority to proceed under Subsection B of Section 3 of the Act of 1916? A. Yes.

Q. What is your next minute? A. July 18th, "The Order-in-Council authorizing the Commission to acquire options and enter into preliminary contracts re Chippawa-Queenston Development was presented by the Secretary and it was directed

that under this Order-in-Council the right-of-way could be purchased."

Q. What is your next minute? A. August 8th.

Q. What is that minute? A. "Commissioner Lucas reported that an application had been made to him as Attorney-General for a fiat for permission to commence proceedings against the Commission for a declaration that the Commission have no power to go on with the proposed Chippawa Development and the matter was left in the hands of Commissioner Lucas for attention."

Q. That does not concern us here; was is the next?

A. The next one is 22nd August. "The matter of Niagara Development was taken up and carefully considered, it was decided to proceed with the purchase of the lands required for this purpose as soon as plans and particulars are completed."

Q. That would be pursuant to the Order-in-Council you had received? A. No doubt.

Q. What is the next? A. November 22nd, "Earnest consideration was given to the subject of the Chippawa-Queenston Development, the Chief Engineer's report in connection with the construction of the canal and plant was carefully discussed, it was finally decided in view of the exhaustive investigations that had been made on the subject, showing the large saving which would be effected, that the Commission would undertake the work direct for the whole of this development and that an Order-in-Council to cover should be applied for at once in order that immediate steps may be taken for the preparatory work."

Q. What report did you have before you at the meeting of

November 22nd, if there was a report in writing?

A. The report of the Chief Engineer, according to this minute.

Q. What is the date of that report of the Chief Engineer?

A. The Date of this minute is 22nd November, I should think it would be about that date.

Q. Then did you make application for an Order-in-Council for authority to proceed in this way? A. I presume so.

Q. I have a memorandum here of November 25th, 1916, which would follow that meeting, this is a memorandum to His Honor the Lieutenant-Governor in Council "The Hydro Electric Power Commission of Ontario are of the opinion after carefully considering the exhaustive reports in the matter that it would be in the public interest if the Commission would be authorized to proceed direct with the construction of the necessary work or works in connection with the Queenston-Chippawa Development and they therefore have the honor to recommend to the Lieutenant-Governor in Council that under the provisions of the Ontario Niagara Development Act, section 3, subsections C and D, that they be authorized to construct and erect works in this connection, acquire the necessary machinery and plant for this purpose and take such steps as may be necessary for the proper carrying out of the undertaking, the Hydro Electric Power Commission of Ontario, Signed A. Beck, Chairman". That would appear to be the action taken pursuant to the minute of November 22nd? A. That is it, sir.

---MEMORANDUM of November 25th, 1916, marked

EXHIBIT NO. 6:

Q. Did you ever get such an Order-in-Council? A. I could not say.

Q. I cannot find it in anything I have got? A. The amending Act - it may be the Act of 1917 superceded it.

Q. I would be glad if there is anything that would aid you in answering that question, if you would tell me why in lieu of getting an Order-in-Council an Act was applied for, legislation was taken in 1917 dispensing with the consent of the Governor-in-Council, while this application was pending before the Government for this Order-in-Council the Prime Minister wrote Mr. Lucas for certain detailed information, Mr. Lucas passed the Prime Minister's letter on to you and you replied on behalf of the Commission on January 12th, 1917. I want to refer briefly to these letters, Mr. Pope. I notice the first question the Prime Minister asks is for a copy of order approving of the plans he says, "In further reference to the propose Chippawa-Queenston Development, I would be glad to have the following information on my files for reference, together with such further and additional information as the Commission may have bearing on the subject: (1) Copy of order approving of the plans under the Public Works Act of Canada, in so far as such approval is necessary" I presume that refers to the approval under the Act relating to navigable streams?

A. Yes.

---LETTER of Prime Minister marked EXHIBIT NO.7.

Q. What was the position at that time in reference to that matter, did you at that time receive approval? A. Here seems to be the explanation of it in Mr. Lucas' letter to me, I got my information through Mr. Lucas; the Prime

Minister's letter is to Mr. Lucas.

Q. You subsequently replied? A. Just the information I have got from Mr. Lucas.

Q. Tell me what the situation was? A. Here is my letter:

"With reference to your letter address to the Attorney-General of December 12th last requesting information respecting the above development. At a recent meeting of the Commission, I was instructed to reply to your various questions in their order as follows: Question 1, 'Copy of order approving of the plan's under the Public Works Act of Canada, in so far as such approval is necessary'."

Q. Can you tell me the date when you did get formal approval? A. No, but I can follow that through, there is a whole lot of things to look into.

Q. Give us the date when you did get formal approval? A. I will.

Q. I note the third question the Prime Minister asked was, "General outline of the scheme, showing in a brief way, the plan decided upon, the lands required, the length of the canal, the extent and character of the work about to be undertaken." You repeated the Prime Minister's question in each case in your answer and you will find that in your letter to Sir William Hearst, question 3? A. Yes.

Q. Your answer to that was, "The general scheme of development is shown clearly on the accompanying plans. The topographic plan shows the location of the intake and canal and the power house, with relation to the existing power development at Niagara Falls. The intake is shown at the mouth of the Welland River, and the canal is shown, comprising four miles of the natural channel of the Welland River and approximately nine miles of excavated

channel. These plans also show the boundary limites of the lands required to be purchased. The architectural study shows a view of the proposed power houses, transformer house and gate house, viewed from the River". I think the Commission would be glad to have these plans that were then submitted to the Government if Mr. Gaby can have them here this afternoon.

---PLANS to be put in by Mr. Gaby and marked Exhibit #o.8.

Q. Then what was your answer to question four "Estimates of the time necessary to complete the works and have same in operation"? A. You have it there.

Q. Read it and save me reading both? A. "The outside estimate of times required to complete the development is estimated to be three and one half years, but if the work is done directly by the Commission, with heavy electrically driven construction plant, it is expected that the work can be done in three years or less."

Q. Then the Minister's fifth question was "Total estimate of cost of the work and the amount it is intended to expend in each year" What was your reply to that?

A. "The total estimate of the cost of the work for 100,000 H.P. installed is \$10,410,000, the total estimate of the cost of 200,000 H.P. installed is \$13,215,000. Recent advances in the cost of hydro-electric machinery indicate that it will be necessary to increase these estimated 15% up to a possible extreme maximum of 20%. As against this, however, it may be mentioned that both of these estimates include an item of 25% for engineering and contingencies, which it is expected will absorb the great portion of this advance in the cost of machinery, more especially in

view of the economies which are sure to be effected by the Commission as a result of doing the work themselves."

Q. Then question six, "The amount of water that will be drawn through the canal when completed and the amount of horsepower same will develop" what was your answer to that? A. "The canal is designed to carry continuously 6,500 cubic feet of water per second at the lowest stage of water in the Niagara River; this amount of water will produce 200,000 H.P."

Q. Question seven, "The cost price per horsepower of the power developed, showing the method of arriving at same,"?

A. "The estimated cost of power for 100,000 H.P. is \$9.45 per annum per horsepower, and the estimated cost for 200,000 H.P. is \$7.50 per annum, per horsepower. The increase in the cost of hydro-electric machinery and equipment, mentioned herein, will, to some extent, increase the above stated estimated prices of power per horsepower, but we believe that, due to economies in construction, if the work is undertaken by the Commission, we shall be able to confirm the prices mentioned. These prices include all charges for interest on capital expenditure, sinking fund, depreciation, maintenance, renewals, insurance and operation. All of the estimates of the Commission have been fully confirmed by the "cost-plus" tenders received from contractors and their estimates of the cost of the work."

Q. So that in January 1917 when the Commission was pressing the Government for this Order-in-Council authorizing them to proceed your estimate was the same figures you have mentioned in detail in these letters? A. The letter speaks

for itself.

Q. Then without going into it in detail I notice in question eight the Prime Minister is particularly solicitous in reference to the question of whether you are doing the work yourself or whether it should be let under contract and I notice in the course of question eight he says "If tenders are called for and reputable contractors bid on the work we will have something definite to gauge the ultimate liability assumed by the Province. Without tenders we have nothing to guide us as to cost but the estimates of the engineers." Apparently the Prime Minister was very concerned to ascertain as clearly as possible what would be the ultimate liability which the Province might be called upon to assume in connection with this undertaking?

MR. LUCAS: You will observe that even before the Prime Minister's questions the Commission had taken action to ask for a report as to the desirability of the Commission undertaking the work without asking for tenders or otherwise.

MR. ROWELL: I am coming to that.

Q. I notice in the closing part of the Prime Minister's letter he states, "I would be glad to have the above information and all further information and data that the Commission can supply in order to enable me to understand as clearly as possible the extent and character of the project we are undertaking, and the reasons for adopting the courses that may be suggested to us by the Commission, and in order that I may be able to properly explain and defend whatever action the Government may take in this matter."

I draw attention to it, Mr. Pope, as apparently the Prime Minister was drawing the attention of the Commission particularly to this point, first the Government wanted to know the ultimate liability which the Province might be called upon to assume and the extent and character of the work that was being undertaken at the time and this reply of yours, I take it, of January 17th, is the considered reply of the Commission to the Prime Minister's request for this complete information. Then I notice the Commission strongly recommended that the work should be done by the Commission rather than contract, for the reasons set out in the letter, that is correct?

A. The letter states that, yes, sir.

Q. Then the closing paragraph of your letter is of interest, Mr. Pope, because it brings us back to this prior estimate, "In further reference to question five I would refer you to the report of September 13th, 1916, in which we give you full information as to capacities of plants and estimates of the amounts of money required during the years 1917-18. We estimate that there will be no change in the estimate outlined therein, that is: during the year 1917, approximately from \$2,000,000 to \$3,000,000 and in 1918-19, the remaining \$5,000,000. And we have, as you will note from the expenditures of the Commission, not expended the amount estimated for the year 1916.

I would also refer you to the reports of the Chairman of October 5th, in reference to this matter." In the closing paragraph you bring us back to these two reports of September 13th, 1915 and October 5th, 1913, as representing the view of the Commission as to the cost and the character

of the work at that time. That would seem to indicate, Mr. Pope, that no other estimates had been presented?

A. Well, I do not know, the letter is there.

Q. That would seem to indicate that, if you can find any other estimates we would be glad to have it. Mr. Lucas has mentioned that this matter came before the Board prior to the receipt of this letter from the Prime Minister. The Board itself was giving some consideration to the matter; will you turn to the next minute of the Board. You gave me the minute of November 22nd, I think the next is December 12th? A. Yes, sir.

Q. Read that minute to us? A. "Communications from William Crowlin & Sons and the Dominion Dredging Company re construction of the Chippawa-Queenston Development was read and noted and ordered to be acknowledged. The Chief Engineer was directed to prepare a full report for the information of the Board covering all the facts in connection with this development and the reasons for the work being undertaken by the Commission direct."

Q. The Chief Engineer was instructed to prepare the necessary plans and material for transmission to Ottawa on the same date, did the Chief Engineer prepare the reports referred to in this minute of December 12th? A. I presume he did, he will know.

Q. Did it come before the Board later for consideration?

A. The minutes will show.

Q. What is your next minute? A. December 12th.

Q. That is the one we read? A. There is another. On page 108, of the same dated, "The Chief Engineer was instructed to immediately prepare the necessary plans and matter of the

Chippawa-Queenston Development for transmission to the proper authorities at Ottawa for approval"

Q. What is your next minute? A. December 19th, "The question of charters along the Welland River and the Chippawa River was discussed and the Chief Engineer reported that this matter had been thoroughly investigated and that all charters in this connection had expired."

Q. What is the next? A. December 27th.

Q. That relates to the purchase of supplies? A. The matter of the purchase of rails for use in the Chippawa Canaal Development were considered and ordered to stand.

Q. What is the next? A. January 11th, "Consideration of the tenders submitted in connection with the Chippawa-Queenston Development was taken up, the Chief Engineer presented a detailed report which is incorporated hereto in connection with the proposals submitted by the various tenderers. Whilst none of the tenders were considered as definite, a full discussion took place as to the merits of each proposition. It was the decision of the Board that as haste was one of the prime essentials in the work and that as none of the companies had presented a proposition undertaking to carry on the work agreeable to the Commission and its best interests, that the report of the Chief Engineer be concurred in and that the previous decision of the Board be confirmed and the work be undertaken by the Commission."

Q. What is the next? A. January 17th, "The Chief Engineer also reported that advantage had been taken of certain options which would mean a large saving to the Commission

if exercised and the Secretary was instructed to immediately prepare a petition to the Lieutenant-Governor in Council asking for authority to close these options and proceed with the preliminary work without delay."

Q. What is your next? A. There is another one on that same date, page 128.

---Adjourned at 1 P.M. until 2:30 P.M.

Page 4075 follows.

AFTERNOON SESSION.

TUESDAY 20th MARCH, 1923.

THE CHAIRMAN: Mr. Rowell, are you ready to go on ?

HON. MR. ROWELL: Yes.

MR. POPE: Mr. Gaby has found some plans, Mr. Rowell.

HON. MR. ROWELL: We will just take up, in order, the things I asked for.

Q--Mr. Pope, have you looked up to see what minutes, if any, you have prior to 1915, relating to this Chippawa development ? A--I find a minute in 1914, page 122:

"Application for surplus water on the Welland Canal taken up and the Chairman instructed that the Department of Railways and Canals be communicated with that pursuant to the request of the people of the Province, expressed in Resolutions of Great Waterways Union, Ontario Municipal Association, Niagara Power Union, Board of Trade, and other public bodies filed at Ottawa, that all waters not under lease and still available to the use of the Commission --"

Q--What is the date of that? A--That is the 19th of August, 1914, at page 122 of the Minute Book, Item 4, and there was some correspondence.

I am just reminded by Mr. Gaby that, in the Session of 1914, \$35,000 was set apart in the estimates for the Chippawa-Niagara Development. There is another minute in 1913 containing something about the Niagara development. That is an extension line.

Q--Then speaking of the minutes first, Mr. Pope, the only minute you have in the records of the Commission relating to the Queenston-Chippawa Development work, prior to the 30th July, 1913, is this minute dated

19th August, 1914 ? A--Yes, except there are some minutes in reference to the Niagara Development which ^{might} or might not include this. I am not sure, it might be extension of lines, or something of that kind, in the Niagara District, but that is the only direct one, and there were some communications with the Minister at Ottawa, and he undertook to hold the reserve water in pursuance of this minute.

Q--Yes. Then you do not find in the minutes any instructions from the Commission, I judge, for the preliminary surveys that were made prior to July 30th, 1915 ?

A--Well, I don't know. I haven't had time to go through it minutely, but I know that there was an appropriation --

Q--Yes, I am aware of that. A--Something after that went up, or must have been brought to the attention of the Government to show what it was for.

Q--Will you check further, then, because I want to file the record of the Commission ? A--Yes.

Q--And then, if there is no record of it, we will ask the proper officer what the explanation is, but I want to get the official record ? A--Yes.

Q--And if you will note, particularly, any minute of the Commission authorizing action prior to 30th July, 1915.

Then the communications you refer to are communications with the Government at Ottawa in reference to the matters covered by that minute of the 19th of August, 1914 ?

A--Yes, I find some correspondence here from the Minister.

Q--Well, if they only relate to that, why, I am not concerned with them ? A--Here is a letter of the 29th of March, 1915. This is a little later on, in which he states he will hold the surplus water.

Q--But that correspondence relates wholly to communications between the Commission and the Government at Ottawa with reference to the holding of surplus water ?

A--On the Welland River, yes, and new Canal.

Q--Then you were going to have looked up for me, or Mr. Gaby was, the estimates upon which the Chairman's report of September 13th, 1915, was based ?

MR. GABY: You will find in Mr. Francis' report entitled "Chapter K, Costs, Analysis of Estimates, Part II - Appendices, Engineering data --

THE CHAIRMAN: What page is that, Mr. Gaby ?

MR. GABY: Estimate No. 1, page No. 1, I guess it is, or 1A, or rather Appendix 1A, entitled Estimate No. 1, Queenston-Chippawa Power Development, 100,000 H.P. Installation, that is for Appendix 1A to 1F, and basis of Estimate No. 1, to Appendix 1-g, and Appendix II for the 200,000 H.P. Installation. Those are the estimates that were prepared in September, 1915, and the second one, Appendix II, in January, 1916.

HON. MR. ROWELL: Then I notice in the letter of September 13th, 1915, it dealt with an ultimate development of 300,000 H.P. and with 100,000 H.P. equipment installed, and that is the estimate you referred to, Mr. Gaby, as Estimate No. I, Appendix A; it gives us the details of this \$10,500,000 referred to in Sir Adam Beck's letter to the Prime Minister.

MR. GABY: Yes. Now, on Appendix 1-g you will see the basis of the estimate, and on 1F, No. 1, which you will note, for the 300,000 H.P., refers to particular parts of the works, such as highway bridges and forebay, and construction of that character. The Canal itself was for 300,000 H.P. 6500 second feet, as stated in the communication the 13th, 1915.

HON. MR. ROWELL: Yes, and that was for a canal 40 feet in width --

MR. GABY: The sections are mentioned there specifically in the report.

HON. MR. ROWELL: 42 feet in width by 21 feet in depth of water ?

MR. GABY: Yes, and it varied in sections between earth and rock.

HON. MR. ROWELL: Yes, but I mean the general section of the canal was 42 feet in width, in this original estimate, with a depth of water of 21 feet ?

MR. GABY: Yes.

HON. MR. ROWELL: And permitting of a diversion of 6500 cubic feet per second.

MR. GABY: 6500 second feet, yes.

HON. MR. ROWELL: That was the proposed method of development, then, submitted to the Government in the fall of 1915 and winter of 1916 ?

MR. GABY: Yes.

HON. MR. ROWELL: Then in January, you say, of 1916, an estimate was prepared, for the same development, on the basis of 200,000 H.P. ?

MR. GABY: Yes.

HON. MR. ROWELL: That was , the present installation of 200,000 H.P. ?

MR. GABY: Yes, that is shown in Mr. Francis' report.

HON. MR. ROWELL: And that shows a total estimated expenditure of \$13,149,803.30 ?

MR. GABY: Yes.

HON. MR. ROWELL: Then those will be the estimates that were before the Government at the time this first Act was passed ?

MR. GABY: Yes.

HON. MR. ROWELL: Then what were the plans ? You have the plans, Mr. Gaby.

MR. GABY: The plans that were submitted to the Government for those installations -- I would like to retain

Government for these installations -- I would like to retain

in the hands of the Government

the Government of the United States

the Government of the United States

the Government of the United States

the Government of the United States

the Government of the United States -- I would like to retain

the Government of the United States

the Government of the United States

the Government of the United States

these until we have had copies made, they are the only ones we have at the present time -- show the cross-section, and the four units, and this shows the power house installation for four units.

HON. MR. ROWELL: That is, 4-50,000 H.P. units ?

MR. GABY: Yes, 4-50,000 H.P. units, 200,000 H.P.

And here is the cross-section of the station showing in a general way the high tension equipment, and location of equipment and apparatus, and here is a copy of the plan which was submitted to the Government at that time, showing the general works, and sections. You will note that they provide for, in future, the six pent stocks, which is the 300,000 H.P. capacity.

Q--Then you can have copies made and furnished to the Commission ?

MR. GABY: Yes.

HON. MR. ROWELL: This set of plans, submitted to the Government at that time, would that be in October ?

MR. GABY: No, those plans were dated January 6th, 1917.

HON. MR. ROWELL: I am now dealing with 1916.

MR. GABY: Those are essentially the same plans as at the other time, but those are the ones that were submitted to the Government in that letter of January 12th, I think it is, 1917.

HON. MR. ROWELL: Well, we have got a little ahead. We will put them down now, but mark them.

<u>EXHIBIT NO. 9</u>	: Filed by	: Plan showing earth and
	: Mr. Gaby,	: rock section, and general
	: 20th March, 1923.	: location of power house
		: at Queenston, etc. and map
		: showing properties adjacent
		: to proposed location, etc.
		: No. B-1-1-1E, dated
		: Jan. 6th, 1917.

EXHIBIT NO. 10 : Filed by : Plan, No. A-6-3-9-D,
: Mr. Gaby, : dated Jan. 6th, 1917,
: 20th March, 1923. : showing cross-section of
: the development at
: Queenston entitled
: Section through Gate-
: house, Pent Stocks and
: Powerhouse, scale 20 feet
: to 1 inch.

EXHIBIT NO. 11 : Filed by : Plan No. A-6-3-10-E,
: Mr. Gaby, : dated Jan. 6, 1917, showing
: 20th March, 1923. : the architectural view
: of the development at
: Queenston, entitled
: Architectural study of
power house and gate house,
: viewed from the River,
: scale 16 feet to 1 inch.

THE CHAIRMAN: Are those the plans that were sent to the Government ?

MR. GABY: Those are the copies that I kept myself personally of the plans that were sent to the Government with my letter of January 12th, 1917.

COMMISSIONER R. A. ROSS: That was for Contract No. 1, \$10,000,000 ?

MR. GABY: No, this shows the installation for 200,000 H.P., that is the \$13,149,000. Our letter also stated that the prices for labor and material had increased, in our estimates, from 15 to 20 per cent, but we believed that certain economies might enable us to maintain that estimate.

THE CHAIRMAN: Were the plans sent to the Government returned to you ?

MR. GABY: No, those are the copies of what were sent to the Government.

THE CHAIRMAN: And they were kept by the Government ?

MR. GABY: Those are the copies I kept in my own personal files.

THE CHAIRMAN: And did the Government keep the copies you sent ?

MR. GABY: I don't know what was done with them.

HON. MR. ROWELL: Then just while we are on those particular plans, or plan, although it is a little ahead of our time, this plan shows what width of canal ?

MR. GABY: This plan will correspond to the sections that apply to the estimate for \$13,149,000.

HON. MR. ROWELL: Yes, but I was wondering whether it was A or B.

MR. GABY: Well there is no corresponding section marked here.

HON. MR. ROWELL: It would be the A plan.

MR. GABY: As I say, there is no corresponding section marked here.

HON. MR. ROWELL: That would be a 42 foot width by 21 feet deep.

MR. GABY: Just one minute, let me have a look at that further. I should say, from memory, that it refers to the A section. They are in the rock section --

HON. MR. ROWELL: The A I am referring to is in the report of Mr. Francis, L2.

Q--Coming back, Mr. Pope, to the situation in 1916, when this legislation was passed -- I am now referring to the Act of 1916 -- the legislation recites:

"The Hydro-Electric Power Commission has reported to the Government upon a scheme for the development of a supply of power from the Niagara River and its tributaries, and has prepared estimates of the cost thereof."

Now, is there anything relating to this, other than the reports we had this morning of 13th September, 1915, and 6th October, 1915, which were submitted to the Government prior to this legislation of April, 1916 ?

MR. GABY: I would not like to answer that question offhand. I would like to look up our files, and to look

up what records we had at that time. I know certain plans and views of this development were submitted to the Commission in discussion with the Commission, but as to what use the Commission made of those I would not like to say at this moment.

HON. MR. ROWELL: Perhaps Mr. Pope will check it up before tomorrow morning, to see if anything further was forwarded to the Government by which the legislation of 1916 was passed.

MR. POPE: I do not think we really had anything to do with the wording of that legislation.

HON. MR. ROWELL: Well, it recites that you have presented certain reports, and if the Commission presented any reports to the Government other than those we have already had put in I would like to get them, Mr. Pope.

MR. GABY: Mr. Rowell, those reports might not have had official records with them, but there was a member of the Government on the Commission.

HON. MR. ROWELL: That we will come to. I am dealing now only with official records, we will come to any verbal explanations later, but I want to get the official records of the Commission. Then were there any plans prepared by the engineers of the Commission, showing the layout, and work, prior to those plans of January, 1917, Exhibits 9, 10 and 11 ?

MR. GABY: Yes, there were many plans prepared, and studies, of this development.

HON. MR. ROWELL: Were any plans prepared and submitted to the Commission ?

MR. GABY: Yes.

HON. MR. ROWELL: Now, can we see the plans that were prepared ?

MR. GABY: As I stated before, we will try and look up

• • • • •

• • •

13

33

1. *Phragmites* (Common Reed)

[illegible]

Journal of Management Studies, 19(1), 67-80.

[illegible]

those plans and see what records we have of what they had before them.

THE CHAIRMAN: If we are examining Mr. Gaby now perhaps he had better be sworn.

HON. MR. ROWELL: No, I will come to Mr. Gaby later, it is merely a matter of aiding Mr. Pope just now.

Q--Then I take it, Mr. Pope, that we have got before us, unless you can find something further, the data that was officially communicated by the Commission to the Government, in reference to this proposal, at the time this legislation of 1916 was passed ? A--Yes.

Q--Now, Mr. Pope, you will remember I asked this morning if you could tell me what plans were referred to in your letter of April 24th, 1916, to the Acting Prime Minister, Exhibit No. 4, in which you asked the approval at that time of plans and reports submitted by the Commission, and on file with the Government. I would like to have that particular plan and report identified, so that we will know just what was submitted by the Commission officially, and of which the Commission asked the Government's approval; you were going to get me the report which was referred to in the minutes of November 22nd, 1916; the Chief Engineer's report ? A--November what date ?

Q--They are mentioned in the minutes of November 22nd, 1916 -- A--That is an Order-in-Council, I think.

Q--Just turn up the minutes and you will see, Mr. Pope, November 22nd, 1916. A--That is an Order-in-Council .

Q--It relates to an Order-in-Council, but it also reads, Mr. Pope, that the Chief Engineer's report, in connection with the construction of the canal, and plant, was carefully discussed ? A--Well, that was before the Commission at that time. You have the memo. that went up on the 25th of November, asking for that Order-in-Council.

Q--Yes, but what I wanted was the Chief Engineer's report which is referred to in this minute.

A--Yes, I know, you asked this morning why we didn't get that, and I find, on reference to my file, that that was a follow-up letter on the 11th of January, and I find, on the 13th January, 1917, a letter from Mr. Middleton, Department of the Attorney-General, which reads as follows:

"Your letter of the 11th instant to the Premier forwarding application for Order-in-Council authorizing the purchase of certain plant and machinery in connection with the proposed Niagara-Chippawa development has been transferred to me for attention.

After giving the matter consideration it would appear that the Order-in-Council of the 6th July gives you the authority asked for."

Q--That is not the Order-in-Council, Mr. Pope, that I was dealing with this morning ? A--You asked me why we didn't get that Order-in-Council in 1916 --

Q--Yes, but that isn't the one. A--And that is the explanation of why we didn't get it.

Q--Perhaps it will be necessary for us to turn back. I think you are mistaken, Mr. Pope ? A--November 25th was the first request.

Q--Now, the request of November 25th isn't a request to purchase certain material ? A--Yes, sir, it includes the purchasing of material.

Q--Yes, it reads:

"And they therefore have the honour to recommend to the Lieut-Governor in Council that under the provisions of the Ontario-Niagara Development Act, Section 3, sub-secs. (c) and (d) that they be authorized to construct and erect works in this connection, acquire the necessary machinery and plant

"for this purpose and take such steps as may be necessary for the proper carrying out of the undertaking."

A--Yes, sir, that is the one. I did not get any answer to that and I wrote again on the 11th of January, repeating it practically, and on the 13th of January I got the reply to which I have just referred.

Q--Mr. Pope, if you will just look at your file, I do not want to have any dispute about it, I think you will find you are in error, your letter of January 11th to the Prime Minister encloses a request for another Order-in-Council?

A--Yes, sir.

Q--That request is dated January the 11th, 1917, and reads as follows:

"Hydro-Electric Power Commission of Ontario are of the opinion that owing to the rapid and unprecedented rise in the cost of all materials entering into construction of works, and to the fact that certain advantageous options are now held by the Commission for the purchase of certain plant and material, which options expire almost immediately, and cannot be renewed without an increase in cost to the Commission of approximately \$100,000, that it is in the public interests that the Hydro-Electric Power Commission be authorized to proceed at once with the closing of such options and the purchase of certain materials and plant, under section 3 of the Ontario Niagara Development Act, being chapter 20, 6 Geo. V."

That was the request for an Order in council that you sent to the Prime Minister on January 11th, 1917, was it not ?

A--Yes, sir.

Q--Now, is that not the request/^{to} which Mr. Middleton, in his letter to which you have already referred, said that an

Order-in-Council was not necessary for this purpose, because this particular purpose was already covered by the Order-in-Council of the 6th of July ? A--Yes.

HON. MR. ROWELL: Mr. Middleton's letter will go in. I think it can all go in as one Exhibit .

A--He says that the Order-in-Council of the 6th of July gives all the authority they require.

Q--Well, it covers the request of 11th of January, it speaks for itself .

HON. MR. ROWELL: Mr. Pope's letter to the Prime Minister, January 11th, the request for the Order-in-Council of the same date, and Mr. Middleton's letter of January 13th, 1917, they all go in as one Exhibit.

<u>EXHIBIT NO. 12</u> :	Filed by	:	Mr. Pope's letter to
:	Hon.Mr.Rowell	:	Prime Minister, 11th Jan.
:	20th March,1923.	:	1917, request for Order-
:		:	in-Council, etc.etc.

Q--You will see, Mr. Pope, that that request for an Order-in-Council of January 11th,1917, does not cover the right to proceed under clauses c and d of the Statute, which is covered in the request of November 25th ?

A--Well, I think it is technical, pure and simple. You look at Mr. Lucas' letter to me of the 5th of September, and the correspondence all the way through, there was a doubt about it.

Q--Isn't the fact, Mr. Pope, and does not your recollection serve you, and enable you to say so, that at the time the Commission was pressing for this Order-in-Council the Prime Minister, on the other hand, was pressing for further detailed information and wanting to be assured as to the total ultimate cost, and he was not giving you the Order-in-Council you asked for because he had not the information he was calling for ? A--I don't know that, I don't know what was

in his mind .

Q--Well, I am only taking the documents here ?

A--That may be your conclusion.

Q--Well, it is my conclusion now. If there is any other conclusion I would be glad to have it. All I want to do is to elicit the facts ?

A--I am just giving you the answer, as far as I can.

Q--Because there is the expressed request for an Order-in-Council to go ahead under c and d, and there is no Order-in-Council, so far as I can find, or that the Commission can produce, giving authority to go ahead under c and d?

A--They were told it was not necessary.

Q--Is there anything except this letter of Mr. Middleton's ?

A--I think you will find Mr. Lucas' communication --

Q--What is the date of that ? A--September the 5th. The same thing is referred to in the minute of January the 17th. That letter of Middleton's was brought before the Board. It does not specifically state section c, that is true.

Q--I again draw attention to your letter, Mr. Pope, and if there is any other explanation I would like to have that. Your letter to the Prime Minister of January 11th, 1917, part of Exhibit 12, which encloses a request of January 11th, 1917, for the Order-in-Council, recites:

"I am further directed to say that this matter requires immediate attention, in view of the fact that an option held by the Commission expires on Monday next and cannot be renewed without an enormous increase in the cost of the materials covered by the said option."

A--Yes, but at the same time he had the request for the other Order-in-Council, and this was a second one. Then we got an answer from Mr. Middleton to say that our Order-in-Council of the 6th of July is all we required. True, he didn't make reference to section c, but we

understood, and I understood, at that time, that no further Order-in-Council was necessary.

Q--Your view then was that this letter of Mr. Middleton's of January the 13th, 1917, dispensed with the necessity for any further Order-in-Council under section 3 of the Act of 1916 to go ahead with the work ? A--That is as I understood.

Q--And you note particularly that Mr. Middleton himself, in his letter, specifically refers to your letter of the 11th instant to the Premier ? A--True.

Q--And this particular application which you were then forwarding ? A--True.

Q--And it makes no reference whatever to the other, and larger, application of November, 1916 ? A--That is equally true.

Q--And if any other Order-in-Council was required you never got it ? A--We did not do any work under section 3 until the Act was amended. There was absolutely no necessity for the Order in Council.

Q--You were pressing for it though quite strongly ? A--We asked for it, yes, sir, not knowing whether the Act would be changed. We were asking for it under the Act as it stood. Here is a report that Mr. Gaby now hands me which, I think, perhaps is what you are after.

Q--Yes. This will be Exhibit No. 13. Mr. Pope produces a report from the Chief Engineer to Sir Adam Beck and the Commission, dated January 11th, 1917, which I understand Mr. Pope to say would be the report of the Chief Engineer referred to in the minutes. Would that be the report that was before the Board on January the 11th, 1917, Mr. Pope ?

A--The 11th or 12th, I don't just remember the date.

Q--The minute you see, of January the 11th, which you have read to us, said:

"The report of the Engineer be concurred in and that the previous decision of the Board at that time that the work be undertaken -- "

A--That was the 11th of January.

Q--That would be the report ? A--Yes.

Q--Then a copy of this report was forwarded by you, I believe, Mr. Pope, to the Prime Minister with your letter of January the 13th ? A--I don't know till I see the letter.

Q--Just look at your letter, just turn up your letter, Mr. Pope, and you will see ? A--I don't know that I have got it here, those files are not in very good shape. They have been travelling all over the shop, and I don't know just what we have got. There are a lot of different files under different headings.

Q- -Your letter is January the 12th, 1917 ?

A--I don't see it here.

Q--At the foot of paragraph 8 of your letter in reply, Mr. Pope? A--I do not find my letter here at all.

MR. ALLEN: Here is a copy of it ?

A--Where do you get these things when they are not on our file at all? Did you get this on our file ?

MR. ALLEN: We got that from the Gregory Commission.

HON. MR. ROWELL: That report of the Chief Engineer's should be marked.

<u>EXHIBIT NO. 13</u>	: Filed by	: Report from the Chief
	: Mr. Pope,	: Engineer to Sir Adam Beck
	: 20th March, 1923.	: and the Commission,
		: dated January 11, 1917.

HON. MR. ROWELL: In your answer to paragraph 8, Mr. Pope, you will see you said :

"A report dealing with the proposals of the above-mentioned contractors is attached hereto, which report covers fully all matters referred to in question 2".

Now, what I wish to know is this,- the report, I understand, does, but I want to be sure, namely, the Chief Engineer's report of January 11, 1917, Exhibit 13, referred to in your letter to the Prime Minister --

A--I really cannot say now.

Q--Perhaps Mr. Gaby can tell you so that we can get along, if there is any other.

MR. GABY: That is the only report I remember in connection with the submitting of tenders and contract work.

HON. MR. ROWELL: That would appear to be it.

WITNESS: Yes.

Q--Now, I notice the general conclusion, referring to this Exhibit 13, which you have produced to me, under the heading "General Considerations" the following appears: "In the above comparisons, \$5,346,000 has been used as the Commission's estimate of the capital cost of the work, which cost it is estimated will be considerably reduced --" That is referring to a comparison between the Hutchison organization and the Commission organization for a certain portion of the work,- "and it is important to know that the estimate of the cost --"

Then further down in the same report it is stated by the Chief Engineer:

"This estimate has been compiled after two years of thorough investigation and study by the engineer's staff, of the character of the work and the conditions of the plant that would be required to undertake such work economically and efficiently within the time limit of three years --"

So that in forwarding your estimate to the Prime Minister on January 12th, 1917, in answer to his inquiry as to the probable ultimate cost of the work, and the importance of having as accurate information as possible you enclose the

Chief Engineer's report in which he states that these estimates are based upon two years' through investigation and study. I suppose you have no personal knowledge yourself of it of that aspect of it, Mr. Pope ? A--No, sir.

Q--You simply forwarded the Chief Engineer's report ?

A--Naturally I wouldn't have.

Q--Then this concluding paragraph from the Chief Engineer's report:

"After careful consideration the tenders which have been submitted by the various contractors for the carrying on of this work, allowing for present conditions, and having a full knowledge of the kind of work that the engineering staff has put on the

investigation in regard to both the character of the work-- Now it would be on the basis of that recommendation, I judge from your testimony, that the Commission decided, on January the 11th, to go ahead with the work itself, Mr. Pope ?

A--That is a matter for the Commission, sir.

Q--I am dealing with your minute K A--All right, that is the result of the conclusion reached in the Commission, which I took down.

Q--Yes, which you took down? A--You must remember that these things were very minutely and fully discussed at each meeting, you could not possibly take down all that took place.

Q--Of course not, but the minute would contain, I judge, the decision reached ? A--The conclusion reached.

Q--And perhaps the grounds for the conclusion. Then have you any minute relating to securing the legislation of 1917, or any minute relating to that legislation ?

A--On the 17th of January, that is some of the minutes we have been reading from, "a communication dated January 3rd, from the Prime Minister, re legislation to be prepared for

the forthcoming session of the Legislature was considered and the matter left in the hands of the Attorney General and the Secretary to be dealt with." That was, in general, any alterations or changes in the Act were to be submitted by us.

Q--Now, does that relate specifically to the Chippawa matter, or is that on the Hydro legislation ?

A --That means any legislation we might require for that session.

Q--Any legislation you might require ?

A--For that session.

Q--Do you find anything relating to the amendment to the Chippawa Act, this important change from the Government's consent being required before you could go ahead, to the position in which we find the Act of 1917 ?

A--I haven't gone through those minutes. There may be something turn up, but there was a petition, as you know, from the municipalities, asking to have the change made in the legislation. My recollection is that the deputation visited the Parliament Buildings, and interviewed the Government, and so on.

Q--But the immediate point I wanted to find out is whether there is any minute of the Commission dealing with it. If not, we will have to get it elsewhere. I have not been able to find it, and if there is I would like to know.

A--You probably know more about it than I do.

Q--If you can find any relating to it, or if your staff can, I will be very glad to have it. We want to get the record accurately.

Then when the Act of 1917 was assented to, authorizing the Commission to proceed to exercise the powers set out in section 3 of the Act of 1916, that is, to proceed with the construction, the plans before the Government would

be the plans of January 7th, is that the date, Mr. Gaby ?

MR. GABY: January 6th.

HON. MR. ROUELL: January 6th, 1917, Exhibits 9, 10 and 11, before the Legislature at that time, and the Legislature at that time authorized the Commission to proceed with a development providing for a diversion of 6500 cubic feet per second on a canal 42 feet in width by 21 feet in depth.

MR. GABY: That is subject to correction.

HON. MR. ROUELL: Yes, would that be correct, Mr. Pope ?

A--I cannot say, I am not familiar with the plans.

Whatever the plans call for, I suppose, but I am not an engineer.

Q--At an estimated expenditure for 300,000 possible development and ^{two} hundred thousand immediate installation of \$13,149,000, as Mr. Gaby has given us. Now, Mr. Pope, those plans were subsequently changed, and ^Esomewhat enlarged development provided for ? A--I understand so.

Q--The first change as I understand it, was not the most important but it was of importance. The first change provided for a canal 40 feet wide instead of 42 feet, and 31 feet in depth instead of 21 feet, but still for the diversion of 6,500 cubic feet per second. Can you recall that? A--I cannot give you the particulars, Mr. Rowell, of these plans. I am under oath, and I cannot tell you what I don't know. Whatever the material that passed the Board and was recommended by the engineers, is before you and I have sent it up as directed. Beyond that I cannot tell you.

Q--Perhaps, to keep the record clear, Mr. Gaby could tell us what was the first change.

MR. GABY : I would not like to say offhand. I would like to go into it, in a little more detail. I have not gone into it for some time.

MR. POPE : The engineers can tell you that.

HON. MR. ROWELL : I want to get something to trace through the minutes. Is there any minute of the Commission authorizing or approving of this change?

A--I think so, but I cannot just pick it out at the moment. I think we can find it. I think sometime about the beginning of March, 1918. The general report dealt with the whole change; I know it was discussed from time to time, and I think there is something in the minutes.

Q--Can you show me any minute in 1917 because frankly we have not been able to find any?

A--It may be as late as the beginning of 1918. I am not sure that it was in 1917.

Q--Can you tell me the date when the change was made?

A--No sir, I cannot. I am not familiar enough with the work to tell you.

Q--My information is that this change was made in 1917, the actual change. Perhaps Mr. Pope can give us as secretary, the first report of the engineers recommending a change in the plan, or you can furnish it to him, Mr. Gaby if you have got it? The first report recommending a change.

MR. GABY : The first report would be made by Mr. Johnston in February, 1917, I think it was, in which it was 6500 second foot. Further instructions were issued to him to make a study of the 300,000 horse power canal. That was a 200,000. His report was submitted in April, 1917. The engineers then were instructed to prepare a report on that report, and to make recommendations to the Commission. They were some months and I believe as far as the hydraulic features of the Canal are concerned, those reports were completed in November, 1917; and as far as the electrical part is concerned, those reports were completed about March 11th, if my memory serves me right, of 1918; and all those reports were submitted to the Commission from time to time, and I think officially in March 1918, as a compiled report.

Q--Just let us take first this: the first change as I understand it, was the one I have mentioned recommended by Mr. Johnston I think in his report of February 1917, which Mr. Gaby has mentioned, that the Canal instead of being 42 feet in width should be 40, and instead of providing for the water running at a depth of 21 feet, it should provide for a depth of 31 feet. Now what I would like to know is when the engineers of the Commission recommended to the Commission that that change should be made, and if there is any minute in the records of the Commission at all relating to that change in the year 1917.

MR. GABY : I do not know that there is, because that was not the plan on which the Canal was constructed.

Those were studies that were made, and certain recommendations by the consulting engineer during that period. No plan was ever proceeded with on those recommendations. They were simply recommendations that were not carried out as far as the Commission was concerned, either of them.

Q--Then, Mr. Pope, Mr. Gaby has said that instructions were given by the Commission in connection with these plans. I would like to see any minute of the Commission giving any instructions.

A--To whom?

Q--To the engineers in connection with these proposed changes. A--Well, Mr. Rowell, I shall have to go minutely through every minute before I can tell you. I have not gone through them. I have not had time to do it. Here they are. I have got the minute books here if you can give me any date.

Q--Perhaps you could do it this evening. A--No, I am not going to do it this evening; I am going to bed this evening.

Q--We have looked them through and we cannot find them. If there are any we would like to have them pointed out. I do not want to proceed on the assumption that there is no record, if there is a record. All I want to do is to get at the facts, and if we have overlooked anything relating to it I would like to have it.

A--I should not think they would overlook it. They have had these minute books in their possession for months.

Q--Then the next change was from the 6500 cubic feet per second to the 10,000 cubic feet per second, was it not, Mr. Pope? A--I don't know that Mr. Rowell.

Q--Don't you know as secretary of the Commission?

A--No sir, I don't know.

Q--That there was an important change made in the size of this development, in the plans for this development.

A--I understood there had been changes, but just what the particulars of those changes are, I don't know and never did know.

Q--Don't you know that there was a change made in the fall of 1917 or in 1918 in the size of the Canal which greatly increased its capacity and almost doubled its estimated cost? A--I know that there were changes in the construction of the Canal some time in the latter part of 1917, or beginning of 1918. The particulars of that or the nature of its cost I am not familiar with. It is an engineering and hydraulic question of which I am not capable of entertaining an opinion.

THE CHAIRMAN : Would it not be a matter of record in the minutes? A--Possibly it would. If it is in the minutes I could take it up. Unless it is in the minutes I would not know. I think there was a general report made at some time, but just when that was I don't know.

HON. MR. ROWELL : On April 19th, 1918, I find a report referred to. Is that the first minute relating to it?

A--I don't know whether it is the first or not. I know there were some changes and I think about that time but the particulars respecting them or the details respecting them, I cannot tell under oath. That is a matter for the hydraulic engineers.

Q--Yes, but, Mr. Pope, we are dealing with a change which increased the estimates of the cost of this Canal by approximately \$10,000,000, and as I understand you you say you cannot tell whether that came before the Commission or not. I should have thought that that was a matter that you would be able to locate in the minutes; if there is

anything in the record.

A -You say you have got a minute there?

Q--There is a minute. A--What is the date of that?

Q--April 19th, 1918. If you have anything earlier than that I would like to see it. If not we will come to this minute of April 19th.

A -There is a whole series on that date. Seven items. The combined report is referred to here, to the effect that, the combined report of the Hydraulic and Electrical Departments re Chippewa Development was presented, considered by the Board, and ordered to be filed.

Q--Will you just read the rest of the minute so far as it relates to this matter, so that we will have the whole record? A--That is all I have got here.

Q--Have you got that report? A--Yes.

Q--Will you produce that report for us, which was ordered to be filed, And will you turn to any minutes that may have a bearing on it? December 12th, see what that is. Will you let us have a copy of that report of Mr. Johnston's?

A--I think you have that.

Q--Did the engineer in reporting to the Board in April, 1918, in this combined report, report the increased cost due to the changes? A--I could not tell you that without seeing the report.

MR GABY : Entirely new estimates were prepared.

Q--Then that would be estimate No. 2?

MR GABY : No, that will be estimate No 3, Appendix No. 3A.

Q--It is called No. 2.

MR. GABY : No. 1 would be Appendix 3A.

Q--Appendix 3A is called Estimate No. 2.

MR. GABY : In addition to that there were several other estimates.

Q--Yes, they all follow on, but I want to start with this. This was the revised estimate of November 27, 1917,

MR. GABY : That was only one of them, Mr. Rowell.

Q--I can only deal with one at a time, ^{MR. GABY :} There were others dealing with specific conditions, which were slightly changed. Under the 300,000 horse power there were two estimates, one of 24 million some odd thousand and another of 29 million some odd thousands.

Q--We will take the one that is here before us, taking one at a time. This is an estimate called estimate Number 2 for a 300,000 horse power installation, revised November 27th 1917, showing a total estimated expenditure of \$24,316,815. Now that was the revised estimate of cost of the enlarged development for the 300,000 horse power installation.

MR. GABY : Which is reported in the report Appendix 3-B. The attached estimates from 3-B to 3-Z: estimates Appendix 4; estimates Appendix 5, estimates Appendix 6-A and details of estimates Appendix 6-B to 6-M.

Q--Now Mr. Pope, according to Mr. Gaby, the chief engineer, the engineers of the Commission prepared revised estimates in the fall of 1917 on the basis of a Canal providing for a diversion of 10,000 cubic feet per second instead of 6,550 cubic feet per second, and on the basis of a 300,000 present installation and a total capacity of 300,000 horse power. They estimated the cost at \$24,316,815, according to Mr. Gaby's statement. Then for the 200,000 present installation, they estimated the cost at \$21,025,559. And for a 150,000 present installation, with a total 300,000 installation, \$18,985,897. In other words, three estimates were submitted, all on the basis of a canal providing for a diversion of 10,000 cubic feet per second; a total development of 300,000 horse power and a present installation varying from 150,000 to 200,000 and 300,000 horse power.

Can you tell me when those estimates were first laid before the Commission and whether they were laid before the Commission about this date?

A--I should think that would be in the minutes we have just read here of the 19th April, 1918.

Q--1918? A--I should think so. I am not sure but that is what I should expect. Mr. Johnston's report probably would deal with the same subject, which came in much earlier. What is the date of that estimate?

Q--November 27th, 1917. These are the estimates.

A--I see Johnston's report is December 12th, 1917, so I should fancy that would probably be it.

Q--That is different. These estimates I have now referred to, Estimate Number 2, is, as I understand from Mr. Gaby, the estimate of the Hydro Commission engineers/ themselves. I want to keep to that for the time being, Mr. Pope, and that is perhaps your answer. You think this came before the Commission in this report of April, 1918?

A--Or I fancy it would be discussed when the Johnston report came in.

Q--I would like you to turn to the minutes?

A--The minutes are not full enough to show.

Q--But, Mr. Pope, you don't mean to tell me, that a change which is practically doubling the cost of construction is not important enough to note in the minutes, where you are noting each week right along, the purchase of a few supplies. A--Mr. Rowell, I am not here to argue with you; I am here to tell you what is in the record.

Q--It strikes me as so surprising that I think ^{we} must be mistaken in not having located it and if that is so I would like to have it.

A--It may be surprising.

Q--And if it is not there, whoever is the proper official I want to ask why it does not appear in the minutes.

A --I am telling you that Johnston's report appears. I am not telling you what it is because I am not sufficiently familiar with it. Then in April, 1918, the general report comes in of the Commission's engineers. Whether it was dealt with at the time of Johnston's my recollection does not carry me back. The discussions were so frequent and so general that I cannot recall all of them.

Q--Can you tell me when the Commission reported to the Government this proposed change in the plan of the Canal, and this large increase in the estimated cost?

A--I could not tell you that. I know they frequently had interviews, private interviews, and that sort of thing.

Q--I am dealing with the official records, and we will get the private interviews later.

A--February 5th, 1918, there is a letter to the Premier. The present plans and specifications changed to provide for 300,000 horse power. Expenditure from 17 to 24 million.

Q--Can you tell me whether your letter was written in reply to a letter from the Prime Minister requesting information or not? A--I cannot tell you that at this length of time. It may have been. The letter itself shows: the very first line of the letter:

"In reply to your inquiry of January 31st."

Q--Have you there in your file the Prime Minister's letter of January 31st? I only have an extract from it but perhaps you have the complete letter.

A--I don't seem to find it here at the moment. Your people must have it. There is a letter of the 22nd February to the Provincial Treasurer. There is here, yes.

Q--Read your full reply? A--In reply to yours of January 31st respecting the Hydro Electric Power Commission, I am instructed to make the following reply. There are 12 items.

Q--Item No. 10. Read what you say.

A--Number 10, power to be obtained by the Chippewa Queenston Development capital outlay and when power will be available.

Q--That is apparently the Prime Minister's question.

A--Present plans and specifications for power Canal provide for 300,000 h.p. The station and power house installation of capacity from 100 to 300 thousand H.P. at an expenditure of from 17 to 24 millions of dollars, we expect to be available by the end of 1920.

That is apparently all there is about Chippewa. The maximum amount of power Ontario can use, and so on.

THE CHAIRMAN : What is the date of that?

A--February 5th, 1918.

HON. MR. ROWE LL : On or about this date you wrote also to the Provincial Treasurer, Mr. McGarry, giving him information in reference to the estimate?

A--The appropriations for the different systems.

Q--What did you say there in reference to the Chippewa development? A--Nothing apparently.

Q--Perhaps your letter to Mr. McGarry was later. There is a letter on February 25th, 1919? A--This is 1918.

Q--Yes, the letter to Mr. McGarry is another that I have in mind.

A--This is simply in explanation of the estimates.

Q--Now that letter of the Prime Minister to you and your letter in reply, that is the Prime Minister's letter of January 31st 1918 and your letter of February 5th, 1918, would be Exhibit 14?

EXHIBIT NO. 14: Filed by : Lr. Prime Minister to H.E.C.
: Hon.Mr.Rowell: of 31.1.18 and Lr. in reply
: 20th Mar.1923: 5.2.28

Now you see, Mr. Pope, that you state in that letter of February 5th, 1918, that the present plans and estimates call for an expenditure of from 17 to 24 millions of dollars. Now the minute that you have given to me in the Board's minutes, dealing with this enlarged development, is April 19th, 1918, some two or three months afterwards. What I want to ascertain from you is when, according to the minutes of the Board, the records of the Commission, it was decided to change the plans of the development from a 6500 cubic feet per second at a cost from 10 to 13 millions of dollars to a development of 10,000 cubic feet per second at a cost from 17 to 24 millions of dollars. If you have any minute relating to it.

A--There was not a meeting of the Commission without some reference made to the consideration of this plant, purchasing material and all that sort of thing, but I don't know whether under the Act of 1917, they were authorized to go on with this work.

Q--But when did the Commission, as a Commission, decide to make this fundamental change and where is the minute?

A--I think it came about somewhat gradually, under varied circumstances, myself. That is my recollection of it. Labour was increasing, everything was increasing.

Q--I am speaking of the fundamental change in the construction. A--I know you are. They had these consulting men? and they were there and Johnston's report is there, and there is the report of these engineers, and I don't know whether you will find anything else in the minutes or not.

Q--It is so important that I will be glad if you will have someone in your office check up the minutes.

A--I will have every search made that is possible, but there is not any use continuing to ask me for something that I don't know whether it is there or not. I don't want to hurry you but we are taking up a lot of time.

Q--Then can you tell me this: did the Commission submit this proposed change to the Government and ask the Government's approval of it?

A--I think they did. I think that letter of February 5th that I just read you a little while ago. There were discussions from time to time and correspondence from time to time.

Q--The letter of February 8th does not ask the Government's approval to any change. It says that the present plans call for 17 to 24 millions expenditure. What I am asking is did the Commission submit any application to the Government?

A--It was not necessary, Mr. Rowell.

Q--I am not now discussing whether it was necessary or not.

A--I understand they did not consider it necessary.

Q--They did not consider it necessary and they did not do it when they did not consider it necessary. Then they considered that the legislation passed in 1917 on the basis of the estimates, and the development then proposed, was sufficient authority to go on with this changed development without consulting or getting the Government's approval?

A--You will have to get that from the Commission.

MR. LUCAS : Except in so far as they were asking appropriations in the house, and the explanations made in the legislature.

HON. MR. ROWELL : The appropriations would be later.

MR. LUCAS : This is in February.

HON. MR. ROWELL : But it says it is already decided.

Mr. Pope's letter says under present plans the cost will be so-and-so. That does not ask for any approval of change.

It states what the expenditure is going to be.

MR. LUCAS : What I understand Mr. Pope to say is, that there is no necessity for formal approval by Order-in-Council or otherwise by the Government.

HON. MR. ROWELL : Yes, he says that he thinks the Statute gives them authority to go ahead.

MR. LUCAS : Yes. That does not mean that the Government did not have knowledge, but it is not necessary to take action.

HON. MR. ROWELL : Then there was another change in the plan at a still later date, Mr. Pope, as I understand it. This was not so expensive. The depth was changed, from a depth of flow of water of 31 to 33 feet. Perhaps that did not come directly to your attention?

A--I heard some very strong expressions of opinion of consulting engineers along that line. They thought it ought to be even deeper.

Q--Then have you any minutes of the Board in reference to this change from 31 to 33 feet in depth?

A--When did that take place?

Q--My information is, in the fall of 1917. A--Oh well that would be covered by this report in 1918. That would be in Johnston's report, I imagine.

Q--You think it would be in that report? A--Yes. And in the report of the engineers in April, 1918.

Q--Then there was a still further change at a later date under which it was proposed that the capacity of the Canal should be changed so as to permit of the diversion of 15,000 cubic feet per second. Do you recall that? A--No, I don't know anything about it.

MR. GABY : March 25th, 1919, page 94 of the minutes.

HON. MR. ROWELL : If you will just let us have that minute. A--You are asking me if certain things were done

about certain water developments and I don't know. Here is a report or a minute on March 25th, 1919. Chief Engineer submitted a report covering the proposition of lining the rock section of the Canal at Niagara with concrete at an estimated expenditure of \$786,100, and after careful consideration, in view of the fact that this being essentially a power conservation measure, the power being conserved would be available at a very small extra annual cost. Decided that approval be given to the work.

I presume that would include that.

Q--Does that cover the total increased expenditure due to the changes then made to make the Canal of such a character and capacity as would permit of the diversion of 15,000 cubic feet per second?

A--That is purely an engineering question sir. I cannot answer it.

Q--Is there any other minute relating to it?

A--I am not able to tell you at the moment.

(Page 4110 follows)

A--Here is a Minute I find of April 27th 1920; --

"The Chief Engineer submitted a report covering design of an intake for the Niagara Development, all of which was approved and he was authorized to proceed with the drawings for this intake in accordance with the recommendations submitted."

HON. MR. ROWELL: That is the part of the expenditure due to the change in plan to insure diversion of 15,000 cubic feet per second, is it? A--Yes.

Q--Then we have these two Minutes; are there any others that you know of relating to that matter?

A--There may be others, I have not gone through them.

Q--Well you can have that checked. Those expenditures are not relatively large compared with the total?

A--I cannot say what they are, I think they would be substantial.

MR. GABY: That intake is a considerable item over the old intake, between two and three million dollars.

HON. MR. ROWELL: But relatively, compared with others it is not large? Now with this new intake what was your total estimated cost? MR. POPE: A--I could not tell you.

Q--I am speaking now according to estimates submitted to the Commission. A--I could not tell you without going through the estimates.

MR. GABY: I do not know that there were any at that time, prices had changed so materially, new estimates were being prepared and at the request of the Government experts had been consulted to report on the cost of the Queenston-Chippawa Development in April 1920. That report was submitted I believe by Messrs. Cooper and Harbaugh in 1920.

HON. MR. ROWELL: What I am concerned about now is the estimates which the engineers of the Commission submitted to the Commission. I am not now dealing with the

exports.

MR. GABY: I do not know that we submitted any, after those early estimates, to show the increases, except during the discussion of labour increases; we always submitted a report of what we expected the increased cost to be due to certain changes in wages on the work.

Q--Then the last estimate we have referred to was the one contained in the letter to Sir William Hearst of February 5th 1918 in which the estimate is given of Mr. Ford at from \$17,000,000 to \$24,000,000.

Now was any estimate furnished to the Government in the year 1919 as to the probable total cost, and if so when?

MR. GABY: The only reference I remember is a letter to Mr. McGarry,

Q--That I think is February 25th 1919. Mr. McGarry wrote on February 20th to you, as my record shows; --

"Would you please furnish me, not later than Saturday of this week, with a detailed estimate of the probable expenditures for the current fiscal year. I am endeavouring to prepare material for my budget, which will be delivered early in the Session, and it is quite impossible for me to complete it until I have a statement from your Commission.

I would also like a statement showing how much money has been expended on the Chippawa Development up to the present time, and the estimated cost of its completion. I would also like a statement showing what horse power will be developed at that cost.

You will quite appreciate the fact that I will probably be asked a number of questions when delivering the budget, and I wish to be in a position to reply to them."

You recall receiving that letter?

MR. POEL: You are reading it, I have no doubt I got it.

Q--Well I wish you would turn to it in your file.

Then a further letter from Mr. McGarry of February 24th 1919 in which he repeats his request for information. Then on February 25th you reply :--

"I am now instructed to advise you, in reply to your letter of the above date (that is February 24th) that the amount of money expended on the Chippawa Development up to 31st January 1919 was \$8,487,215.52 of which approximately \$3,000,000 was for construction, plant and machinery.

The cost of the completion of the work was estimated at \$24,000,000 to \$25,000,000. The horse power to be developed at that cost is estimated at 300,000."

That was your report to the Government on February 25th 1919 as to the total estimated cost of the development up to 300,000 H.P. ? A--Yes.

Q--And that was still the report of the engineers of the Commission to the Commission ? A--That is information furnished me.

THE CHAIRMAN: Who would furnish it to you ?

A--The engineers' estimate, I got it through the Engineering and Accounting Departments; the amount expended from the Accounting Department, and the amount required from the engineers.

THE CHAIRMAN: Would you submit that to the Board before sending it ? A--Yes.

HON. MR. ROWELL: Have you any Minute in reference to that ? A--I do not know that there would be a Minute. I would furnish the information as I would to any one.

Q--If there is any Minute you will give us the reference

to it. I am not aware of any Minute dealing with it.

Then according to your records and the information that you were furnishing to the Government, the total estimated expenditure for the completion of the canal on that date, February 25th 1919, was \$24,000,000 to \$25,000,000 ? A--I say it was estimated. I do not know just what date that estimate was made, I am working on the estimates that ^{had} gone in. The money that had been expended I would get from the Accounting Department, and the other information from the engineers.

Q--But you do not mean to dwell on the word "was" there ?

A--Yes, was estimated.

Q--Mr. Mc Garry was asking you for information to give to the House as to the total cost, and he is making it quite specific that his object was to furnish the House with information. How do I understand you to say that was not the total estimated expenditure as of that date ?

A--I did not say that.

Q--When was it the estimated expenditure ?

A--That is the estimate that was before me at the time.

Q--What estimate was that ? A--It is the estimate you have read in the Minutes and in the letter that went to the Government. The letter to Mr. Hearst gives the same figures, \$24,000,000.

MR. LUCAS: You see the Secretary could not possibly give any other estimates, there would not be any other estimates formally, that I know of, before him at that time.

Q--I understood him to say he would get the future estimates from the engineers.

MR. FORD: No, I said I would get the estimates that had gone in, I would get the expenditure from the Accounting Department, and the horse power and other particulars from

the Engineering Department.

Q--What I understood you to say was that you would get the expenditures to date from the Accounting Department, and the estimated expenditure for the future from the engineers.

A--No, I gave him just what estimates I had.

Q--Then that was not intended to convey the impression to Mr. Mc Garry and the Government that that was what the Commission then estimated the total cost of the Development would be ?

A--It was intended to give the Government just what I had, that is the estimates that had been sent in; nothing more, nothing less.

THE CHAIRMAN: The Government evidently wanted to know at that time in order to make a statement to the House what the expenditure would be to complete the work.

A--I gave him the only and the best information that I had.

Q--You came before the Commission at the time ?

A--I am not too sure that I did, I notice there was only one meeting in February, I do not know why.

Q--If it was not intended to tell the Government what the future expenditure would be, the effect might be to mislead it ?

A--No, I told him the estimate was so much, and the money expended so much.

Q--I understood you to say you did not know if that was the estimated expenditure at that time ?

A--"The cost of the completion of the work was estimated at \$24,000,000 to \$25,000,000."

HON. MR. ROWELL: Did you at that time believe that was the then present total ?

A--I had no means of knowing what it was going to cost, I only had the material that had been dealt with by myself as Secretary.

Q--What was the last report the Commission as such had received from the engineers on the estimated cost ?

A--April 1918 I think.

C--Then you had no estimates from the engineers and no information that the cost was likely to be increased by anything that happened during 1919, or had you ?

A--It was a matter of common knowledge, you will see all through the Minutes where we had labour troubles and all that sort of thing that were constantly increasing the cost of the work.

C--Well that is your answer to Mr. Mc Garry's request for information as to the total ? A--That is the letter I wrote, yes. I did not say it was the total cost.

C--Well I assume he meant the total.

MR. LUCAS: I think there should not be any misapprehension here . Apparently there were no later estimates, and estimates are not prepared in a day or a week or a month. There is nothing deceptive about it.

C--I assume that was given as the Commission's view of what the then estimated total cost was, otherwise one would think it would mislead the Government, because the Government was asking for the total estimate. Taking the plain reading of his letter, the Provincial Treasurer obviously wanted to know the expenditure to date, and what it was going to cost to complete it. A--He asks the estimated

cost of completion of the work, and the only estimates before the Commission were the former ones, there had been no revision in a formal way before the Commission; Mr. Pope could not get any other information.

COMMISSIONER HAWLEY: Didn't he want the estimated cost at that date ? A--He does not say so, and it was not available.

HON. MR. HOWELL: Now your letter to Mr. Mc Garry was dated February 25th 1919. Was there not an estimate prepared on January 23rd 1919 ?

MR. FOED: I do not know.

Q--I am advised that there was. Appendix 13, part 2, estimate 2-A. A--I think there was a series of estimates, they were making estimates all the time, constantly revising.

MR. GABY: That is the one that is referred to, the subtraction and addition to the \$24,000,000 of 1917 which was submitted to the Commission in March 1919, that was some days later, March 25th I think.

Q--Then was there no such estimate as this of January 3, 1919 ? A--Yes, but that had not been submitted to the Commission on February 25th 1919. The report was submitted in March.

Q--But when was it prepared by the engineers ?

A--The estimate of additions in view of the change of lining and excavation is the only estimate that was prepared, that is the \$786,100, that is the difference in cost was the only estimate that was prepared at that time. The estimate of \$24,316,815 is the old estimate of 1917.

Q-- Is this estimate, Appendix 13, one prepared by Mr. Francis on information furnished by you, or is it a copy of an estimate you actually prepared in your office and of which you have a duplicate in your office ? A--No, the total estimate here, as I judge, is a combination of two estimates; the estimate prepared on the basis of 1917 of \$24,316,815, and another estimate prepared January 3, 1919 or during January of \$786,000 for additions or changes in the canal construction in the rock section.

Q--Have you any estimate in the office of the Commission showing this figure of \$25,102,000 ? A--I doubt it.

<u>EXHIBIT NO. 15:</u>	Filed by	:	Letter of February 25th
:	Hon. Mr. Rowell	:	1919 from Mr. Mc Garry
:	March 20th 1923.	:	and letter of February
:		:	25th 1919 from Secretary
:		:	of Hydro Commission
:		:	in reply thereto.

Proceedings stand adjourned at 4.35 p.m. Tuesday
March 20th, 1923, until 2.00 p.m. Wednesday March 21st,
1923.

PARLIAMENT BUILDINGS,

TORONTO, ONT., 21st MARCH, 1923.

COMMISSION RESUMED at 2 P.M.

HON. MR. ROWELL: Mr. Chairman, when Mr. Acres comes, I will ask to interrupt Mr. Pope's examination for a short time in order to ask Mr. Acres as to certain of the engineering features on which Mr. Pope is not able to give the information, but, in the meantime, until Mr. Acres comes, I shall continue with Mr. Pope's examination.

W. W. POPE, Examination resumed by HON. MR. ROWELL

Q--Mr. Pope, have you or Mr. Gaby been able to locate the report which was presented to the Commission, and considered by it, at its meeting in July. There are two reports referred to, one in the minute of July 30th, 1915, and the other in the minute of September 13th, 1915.

A--No, I have not. I have been in the Board Meeting ever since 10 o'clock this morning.

MR. GABY: I thought we had dealt with that, Mr. Rowell, by referring to the letter reports that we had on file here. I think you will find that this was the file I had. It was on one of those files submitted to Mr. Francis.

HON. MR. ROWELL: You presented a report, Mr. Gaby, that formed part of the letter that went to the Prime Minister with the letter of January 12th, 1917 ?

MR. GABY: Well, that was the report, September 13th.

The letter to the Prime Minister contains the full report that was made at that time.

HON. MR. ROWELL: Yes, but the letter to the Prime Minister is dated January the 12th, 1917.

MR. GABY: I was referring to the one to the Prime Minister of September 13th, 1915, and also supplemented by further reports in October, 1915. The report was sent, in full, to the Premier.

HON. MR. ROWELL: Then we may take it, may we, that the report sent to the Premier on September the 13th, 1915, is the report referred to in these minutes ?

MR. GABY: Yes, and the estimates that were referred to therein, discussed in detail, as Appendix 1A, and so forth, in Mr. Francis' report.

HON. MR. ROWELL: I just want to make clear that there is no report other than that.

COMMISSIONER HARRIS: Is the statement that you just made this, that the first estimate that Francis had was the estimate that was in that minute of September 13th, 1915 ?

MR. GABY: Yes, that is the first estimate. It was referred in toto in the report to the Government, but was in detail in statement K, Appendix No. I, in Mr. Francis' report.

COMMISSIONER R. A. ROSS: That is, of the first estimate, No. I ?

MR. GABY: Of the first estimate, No. I.

COMMISSIONER HARRIS: Apparently in the estimate submitted on September 13th, 1915, there were three estimates, one for 100,000 H.P., one for 200,000 H.P. and one for 300,000 H.P.

MR. GABY: No, I understand that the 300,000 development, as referred to in Statement K of Mr. Francis', is simply an explanation of how the estimates were prepared.

The 300,000 development referred to is the permanent works, such as gatehouse, intake, and a few other sections of the canal, ice chute, etc., but not of the canal itself.

COMMISSIONER HARRIS: Apparently, in connection with that estimate, a statement was made that the cost per H.P. would be \$9.20 for a 100,000 H.P. development, \$7. per H.P. for a 200,000 development, and \$6. per H.P. for a 300,000 development.

MR. GABY: I do not remember the \$6. but I do remember the other two, that is, 100,000 and 200,000.

COMMISSIONER HARRIS: I think you will find, on the record, that the statement was made that on a 300,000 H.P. development the cost per H.P. would be \$6. Was that not said yesterday? That is the information that we, apparently, haven't got.

HON. MR. ROWELL: Mr. Harris is correct, in the letter of September 13th, 1915, Exhibit 2, at page 11, the following appears which I read yesterday into the record:

"Estimates were also prepared to cover capacities up to 200,000 and 300,000 H.P. which indicate that 200,000 H.P. can be developed at a price not exceeding \$7. and 300,000 H.P. at a price not exceeding \$6. per annum, including interest, sinking fund and depreciation charges."

COMMISSIONER R. A. ROSS: That isn't in the report of Mr. Francis at all.

HON. MR. ROWELL: No, it is in the letter.

COMMISSIONER HARRIS: It has nothing whatever to do with any information Mr. Francis received.

COMMISSIONER HANEY: What you want is the estimate on which that was based.

MR. GABY: I shall have to look further for that 300,000 H.P. estimate. The only one I have recollection of

is the one of 200,000 H.P.

HON. MR. ROWELL: Mr. Francis report does not cover a 300,000 H.P. estimate. Mr. Commissioner Harris is quite correct on that. You will note that, Mr. Gaby, and see if you can find that estimate.

MR. GABY: Yes, I will note that.

HON. MR. ROWELL: Q--Then I think, Mr. Pope, we were dealing with the estimate, the 3rd of January, 1919, and your letter to Mr. McGarry of February 25th, 1919, at the time we adjourned. I am instructed, Mr. Pope, if Mr. Acres were here he could tell us, that this estimate of January 3rd, 1919, is a copy of an estimate on file in your office.

Yesterday you thought it was not, 2A, Appendix XIII, that is the estimate dated January the 3rd, 1919, showing total capital cost of \$25,102,915, and your letter to Mr. McGarry, in answer to his request for information as to the total cost, is dated February the 25th, 1919.

I was wondering whether you could recall whether you had that estimate of January the 3rd before you when you wrote Mr. McGarry. If not, what estimate did you have before you when you stated to him the estimated cost was \$24,000,000 to \$25,000,000 ? A--I cannot tell you that now, I cannot recall that.

Q--Well, can you refer to any other estimate of \$24,000,000 or \$25,000,000 than this one of January the 3rd, 1919 ? A--I don't know what you are speaking about.

Q--I am asking in reference to your letter --

A--If you have an estimate there which you are speaking to give me the particulars of the estimate and I can try and hunt it up.

Q-- It is No. 2A, and appearing in Mr. Francis Appendix No. XIII; we had it before us yesterday, and yesterday Mr. Gaby was under the impression that that was not a Hydro

1870

1870

estimate but something Mr. Francis had prepared.

MR. GABY: Mr. Rowell, I must correct that. I stated this yesterday, that that estimate was never submitted to the Commission in that form.

HON. MR. ROWELL: Well, but what I asked yesterday was, if that was the estimate of the engineers what was the data, in January, 1919, on which it was made.

MR. GABY: It was not an estimate of January 3rd. It was simply an estimate, as it states, dated November 27th, 1917, to which was added certain additions, and taken from certain deductions.

HON. MR. ROWELL: Well, then, who prepared that statement, who prepared that estimate of which this is a copy appearing in Mr. Francis' report ?

MR. GABY: I don't know.

HON. MR. ROWELL: Well, perhaps Mr. Acres can tell us that.

Q--Now, what I want to know from Mr. Pope is, what estimate he had before him when he wrote this letter of February 25th, 1919, and to which he referred when he states:

"The cost of the completion of the work
was estimated at \$24,000,000 to \$25,000,000".

A--Well, I have already stated I think that is the original estimate that came before the Board.

Q--The original estimate. Well, now, can you show me --

A--Or the estimate that had gone before the Board.

Q--Well, can you show me any minute of the Board, prior to the date of this letter, where such an estimate came before the Board ? A--Well, I can go through them again. I have got now, from your own people here, four volumes of the minutes that are cross-indexed, and everything connected with them.

THE CHAIRMAN: That goes back only to 1918, I think.

WITNESS: Well, this is 1919 we are speaking of now, that would include this.

HON. MR. ROWELL: Q--Well, we haven't, so far as my information goes, been able to find any minute in which such an estimate as you now refer to was brought before the Board, prior to the date of this letter of yours ?

A--In April, 1918, there was a joint report, spoken of yesterday, by the Hydraulic Engineering Department.

Q--Oh, yes, I beg your pardon. For the moment I was thinking that was April, 1919 ? A--No, sir, it was April 1918, and that is here, I understand that is the report. That has Mr. Johnston's report, the whole plans and particulars, and I presume the estimates. I must have had something definite in front of me when I wrote that, and I fancy that must be it, I am not too sure. I don't recollect at any time having seen that, although I may have, I don't know.

HON. MR. ROWELL: Well, then, this perhaps had better be marked, for the purpose of reference, in case we want to refer to it, as being the report of April, 1918, referred to in the minutes of the Board of April 1918.

<u>EXHIBIT NO. 16</u>	: Filed by	: Report of April, 1918,
	: Mr. Rowell,	: referred to in minutes
	: 21st March, 1923.	: of the Board of
		: April 1918.

Q--Then in this letter, Mr. Pope, that is, the letter to Mr. McGarry, part of Exhibit 15, dated February 25th, 1919 :

"I am now instructed to advise you, in reply to your letter of the above date that the amount of money expended on the Chippawa development up to 31st January, 1919, was \$8,487,215.52, of which approximately \$3,000,000 was for construction plant and machinery."

A--That was got from the Accounting Department.

Q--Then that represented the total expenditure up to that time, both in respect of actual construction work and plant purchased for the construction ?

A--I expect up to the 31st of January.

COMMISSIONER HANEY: 31st December.

WITNESS: January. It reads 31st of January, Mr. Haney.

HON. MR. ROWELL: Then perhaps you can tell me this, Mr. Pope: What was the next estimate communicated to the Government indicating the total cost of the work, or

indicating any change in the total cost of the work ?

A--Well, with the handling of the estimates, and the manner in which they were handled, that would be within the knowledge of the engineers, and I would not be able to follow that intelligently for you, except that it might be a matter of record, and I am not so sure as to whether it was in the minutes or not. You must remember that those minutes, as I endeavoured to point out to you yesterday, are only conclusions reached at some particular point, and long and intensive discussions take place in connection with all those matters that come before the Board, and you cannot possibly put into the minutes all the explanations, and that sort of thing, that take place, but they did know, and everybody knew that there were changes being made, increases being made, and expenditures were, naturally, increased.

Q--Yes, but what I want to get from you, or to find out is: Have you any record of what was the next date on which the question of the total cost of the whole work, that is, the total estimated cost of the whole work either came before the Commission for consideration, or was reported to the Government ? A--Well, I cannot tell you.

Q--I am not now dealing with requests for money?

A--I cannot tell you that without going through the records from month to month. No doubt you will have them in front of you. You have got here files which have taken 12 months nearly to prepare, and you ask me to answer you offhand all those details.

Q--No, Mr. Pope, I am only asking you on a few. Let me make the position quite clear. You start in with an estimate furnished to the Government of \$10,500,000, and you reach, in 1922, an estimate of \$65,000,000. Now, that did not go up at one jump? A--We haven't got that in evidence yet.

Q--No, we are coming to it, but it didn't go up in one jump, it went up at important stages, and I am only asking you to give me the information as to the dates when it went up, from one stage to another, as reported to the Commission or reported to the Government. It is not complicated details, I only want the broad outline?

A--I think, if you will examine the Act of 1917, you will find that that Act gave them power to continue to go on with this work, absolute authority to go on with the work. It also declared that the municipalities were to be responsible for it. It was changed at the request of the municipalities, as you have the evidence of and, therefore, it was not thought necessary to go for authority for every move that was made. That was the general conclusion reached with reference to it.

Q--I am not now concerned about arguing, Mr. Pope, all I want to do is to get at the facts?

A--You are arguing, I was trying to answer your argument.

Q--I only want to elicit the facts. Then your answer is, you did not consider that, under the Statute, there was any obligation --

A--I did not say I did not consider it, I said I think that was pretty well adopted.

Q--Yes, but what I want now to get is, did you, in fact,

communicate to the Government or not the increase in estimates ? A--Well, I think the appropriations that went up from time to time, asking for money, carried with them certain detail, to determine what it was all for. In any event, what else there was I cannot tell you without making a careful survey.

Q--Well, we take the next year, we have Mr. McGarry's letter --

THE CHAIRMAN: Excuse me a moment, has Mr. Pope produced the minute showing the authority to write that letter to Mr. McGarry? He said he was instructed by the Commission.

WITNESS: Well, I certainly was instructed by somebody or I would not have written it.

THE CHAIRMAN: That would be in the minutes.

WITNESS: It might not be a Board meeting.

Q--Would it be in the minutes of the Commission ?

A--Well, they are asking for this information, the Minister asks for the information, and I get it gathered up and send it on.

Q--Of course, this was a very important communication to the Provincial Treasurer, to make a statement to the Legislature. You say you were instructed by the Commission, and I am just asking if there was any minute to show that there were such instructions ? A--I am not sure that it came before the Board, it may have, I am not sure.

HON. MR. ROWELL: Q--Perhaps you will just check it up and see. I do not see any minute, Mr. Pope, covering it. In the absence of a minute whose instructions would it be, the Chairman's ? A--The Chairman, no doubt, and possibly after he had consulted with the other members of the Board. There were times when we only had two members on our Board, at long intervals, owing to the death of Col. McNaught, and then again, later on, there were only

two Commissioners, and oftentimes it was difficult to get a quorum.

Q--Just to follow on this request from the Government for information as to the total cost, we have Mr. McGarry's request in 1919, then we have Mr. Drury's request in 1920, his letter is referred to in the minutes of March 23rd, 1920, page 34 ?

A--I do not appear to have a note of it. I have not had an opportunity to make the preparation that you have, not knowing what you wanted. It seems to have been March the 23rd.

Q--Will you just read the minute relating to this particular matter on that date, Mr. Pope ?

A--There are 26 pages of minutes.

Q--There seems to be a very brief minute on this ?

A--It is quite all right when you have it with you.

MR. ALLEN: Page 34.

WITNESS: It reads:

"A communication, dated March 18th, from the Prime Minister of Ontario respecting the estimated cost of the Chippawa Power Canal, together with the conditions with respect to the water supply of the canal, and the amount of power it is estimated the Chippawa works shall develop, together with a request for a report from the Commission as to the situation of the Hydro-Electric Radial Railways, with particulars of the costs of constructing and operating the same, was carefully considered and ordered to be filed, the Chairman having interviewed the Prime Minister in this respect."

Q--Now, the only part of that we are concerned with is the portion of it relating to the Chippawa Power Canal. I have before me the copy of the Prime Minister's letter of March the 18th, from which the following is, no doubt,

the extract referred to in the minute :

"In the meantime I shall appreciate it if the Commission will let me know what the estimated costs of construction of the Chippawa Power Canal will be and when it is expected that such works will be completed; what the condition with respect to the water supply to the canal is, and the amount of power it is proposed that the Chippawa works will develop."

Now, this was a request, another request from the Government a year later for the total estimated cost of the construction of the works ? A--Might I see the letter, if you have the whole letter ?

Q--Yes. A--No, this is only just an extract.

Q--That is what Price Waterhouse has taken from the files?

A--That is only an extract.

Q--We are only now concerned with this part, the request for information on this particular point. What I want to ask you, Mr. Pope, is, did the Commission have before it, at that time when this letter was considered, an estimate of the total cost of the completion of this work ?

A--What is that date again ?

Q--March the 23rd, 1920. A--Yes, sir, they certainly had. They had these estimates and particulars that you have in front of you, which have been filed. That is 1918, Johnston's report was there.

Q--Then can you tell me what the Commission estimated the total cost of the completion of the works at this time would be ? A--No, sir, I cannot tell you that.

Q--I notice in the report of the auditor, Mr. Clarkson, published for the year 1919, in April, 1920, the report of Clarkson, Gordon & Dilworth on the Accounts of the Hydro-Electric Power Commission of Ontario, on page 8, that

the total investment in the undertaking to that date, that is, to October 31st, 1919, is \$14,713,970.19, distributed as follows,- and then setting out the details. It goes on to say, "it is estimated by the Commission that the ultimate cost of the works will be about \$40,000,000, and that they will be completed to an extent permitting generation of power by the fall of 1921 --"

A--What page are you reading from ?

Q--Page 8 ? A--Oh, yes, I see now.

Q--Now, what I want to find out is, if you had any such estimate of the cost of \$40,000,000 in the year 1919, and, if so, I would like to see it ? A--Mr. Clarkson must have had it in front of him when he made that report, one would think.

Q--Have you any recollection of such an estimate ?

A--I cannot tell you. I have told, you, Mr. Rowell, that I cannot, from my own recollection, follow estimates as I do not have sufficient to do with them in their preparation to be at all familiar with them. You can get this from those who prepared those things much better than you can from me.

HON. MR. ROWELL: Perhaps just at this point, Mr. Chairman, if Mr. Pope will stand aside, I will ask Mr. Acres about the dates of some of these changes in plans. This is not for Mr. Acres' main examination, it is only to fix certain points and dates.

HENRY G. ACRES, Sworn, Examined by HON. MR. ROWELL

Q--Mr. Acres, will you just tell us briefly your position in the Commission, and your relation to this Chippawa matter ?

A--I am officially known as the Hydraulic Engineer of the Commission, and I had the immediate direction of the work that is under discussion.

Q--You had the immediate direction of the work under discussion ? A--Yes.

COMMISSIONER HANEY: Had you from the beginning, Mr. Acres ? A--Yes, sir.

Q--From the beginning of construction ? A--Yes, sir.

HON. MR. ROWELL: Then you are familiar with all the plans that were made from the inception of the undertaking up to date ? A--Insofar as they apply to the work that I did, Mr. Rowell, yes.

Q--Well, you were generally in charge, as I understand it, and you have a knowledge of all the plans ?

A--I think I can answer all your questions, yes, with reference to that part of the work.

Q--Then you were also familiar with the dates upon which changes were made from time to time, as the work developed ?

A--I was at the time, yes.

Q--And you were also familiar with, and I presume worked up, the estimates from time to time prepared ? A--Yes, sir.

Q--Showing the total cost of the work ? A--Not necessarily the total cost. I did not prepare estimates with regard to the electric installation.

Q--Well, now, starting with the original estimate, that is, the estimate No. 1, with which you are familiar, you have had before you Mr. Francis' report on these estimates ? A--I have not seen it yet, Mr. Rowell.

Q--You haven't seen it ? A--No. I am familiar with the contents of it, because most of the statistical information that Mr. Francis obtained had to do with my portion of the work, so that I have a fair idea of what is in his report.

Q--Well, the first estimate we understood from Mr. Gaby yesterday, and today, is the estimate of June 23rd, 1915, which is shown in Mr. Francis' report. If there is an extra copy of Mr. Francis' report just let Mr. Acres have it. It is marked Estimate No. 1 in Mr. Francis' Part II, Appendices --

A--There appears to be a list of estimates here, Mr. Rowell, is that what you are referring to, page 17 ?

Q--I was rather referring to the actual estimate, Mr. Acres?

A--Oh, I see.

Q--And this estimate No. 1, appearing in Mr. Francis' report Part II Appendices, Chapter K is a copy of the estimate you furnished him in connection with this matter ?

A--I think I recognize that, Mr. Rowell.

Q--Then that was the estimate for 100,000 H.P. immediate installation in a canal providing for a diversion of 6500 cubic feet per second ? A--Yes.

Q--And it was to cost \$10,410,000 approximately ?

A--Yes.

Q--Then, following that is an estimate of January the 5th, 1916, providing for an immediate development of 200,000 H.P., at an estimated cost of \$13,149,805 ? A--Yes.

Q--That would be a copy of your estimate furnished to Mr. Francis. Now, in the letter sent by the Chairman of the Commission to the Prime Minister, on the 13th of September, 1915, it is stated that estimates were also prepared to cover capacities up to 200,000 and 300,000 H.P., which indicates that 200,000 H.P. can be developed at a price of \$7., and 300,000 H.P. developed at a price not exceeding \$6.

per annum including interest, sinking fund and depreciation charges. Do the estimates there cover this 300,000 development, or was that a separate estimate ?

A--I think this just covered 200,000.

Q--That is as far as I can see. Well, have you the estimate referred to in the Chairman's letter to the Prime Minister covering the 300,000 H.P. ? A--No, sir, I don't think there ever was such an estimate at that stage of the development.

Q--Just look at the Chairman's letter to the Prime Minister, it is the official report ? A--I don't think, Mr. Rowell, there ever was a separate estimate filed for 300,000 H.P. My recollection of it is it was simply a computation on the basis of adding certain increments of probable cost to the 100,000 H.P., or to the 200,000 H.P., covering what would be necessary for the proposed 300,000 capacity.

Q--Well, now, can you tell me what that showed ?

A--Presumably it showed here what that letter says.

Q--Well, that does not state the total cost of a 300,000 H.P. development, it puts the cost per horse-power. What I want to get at, if it is available, is whether there was any estimate, at that time, showing the total cost on the basis of a 300,000 H.P. development. You must have had, one would think, before you could figure out the cost per H.P.

THE CHAIRMAN: Q--Could you state the cost per H.P. without knowing what the cost of construction would be ?

A--Only in the way I explained, Mr. Gregory, simply as I said, not compiling a separate and distinct estimate, but simply by adding certain increments of probable cost to the 200,000 and 100,000 H.P. developments.

Q--Would that be an estimate that you, as an engineer --

A--I would not call it an estimate. The 100,000 and 200,000

H.P. developments were the capacities that we considered would be the significant ones.

COMMISSIONER R. A. ROSS: Q--Mr. Acres, what additional increments would you have to add to the 200,000 development in order to use a 300,000 H.P. development ?

A--I should say offhand, Mr. Ross, that the additional machinery, of course, would be the outstanding item.

COMMISSIONER HANEY: Pent stocks.

COMMISSIONER R. A. ROSS: Q--You would have, in your original estimate, an allowance for pent stocks at so much a piece, electrical machinery, and everything necessary for a 200,000 H.P. development, and you could produce on a little scrap of paper, in five minutes, enough to give you what you wanted for a 300,000 H.P. development ?

A--Yes, that is what I was trying to explain. It would be just a question of increase of the significant items that would be involved in an extension to the plant. For instance, if the installation for Hydro-Electric machinery for the plant amounted to \$3,000,000, say for two units, I might simply add, if I wanted to install three units, as you say, a million and a half on a piece of paper, and figure out roughly what the 300,000 H.P. would cost. It might work out at \$6.50, and I would \$7. or \$7.50. That was the basis of these higher capacities.

HON. MR. ROWELL: Well, are you in a position to give us, generally, what increases there would be in the estimated total cost of the development at that time on the basis of 300,000 H.P. as compared with 100,000 and 200,000 ?

A--I daresay I could figure it out in a short time, in the same way as I figured it out at that time.

Q--You might give it to us later than ? A- Yes, I can give it to you, Mr. Rowell.

Q--Then this estimate was for a canal 42 feet in width with a depth of water of 21 feet ? A--Yes.

Q--You have seen this prepared by Mr. Francis?

A--Yes, this looks familiar, Mr. Rowell.

EXHIBIT NO. 17 : Filed by : Queenston-Chippawa
: Hon.Mr.Rowell, : development, evolution
: 21st March,1923.: of the canal section.

HON MR. ROWELL: Q- Then we start with the estimated cost of \$10,410,000 for 100,000 H.P. immediate installation, and \$13,149,000 for 200,000 immediate installation, as the basis on which the work was originally designed ?

A--Yes, sir, that is the basic conception of the work.

Q--Now will you, just in a few words, so that we will have it before us, tell us what that was ? You see, I want to come to the changes a little later, as indicated on this last Exhibit. I just want you to give a broad outline of the original, and then we will come to the changes .

A--Has Mr. Francis given any description of this estimate? I was looking over Mr. Francis' description of the thing, I think I have got it here. I will glance over this, Mr. Rowell, and perhaps enlarge on it. Yes, the significant points seem to be set forth here. The original estimate provided for protection against ice only at Chippawa, meaning that there was nothing provided in that original estimate for a boom.

Q--Well, perhaps you are a little ahead of what I was at, Mr. Acres. I wish you would describe, briefly, the general design of the canal, its depth, width, length, capacity and so on, because I want to come to the changes you made subsequently in that design which affected the estimates ?

A--It is rather hard to do that from memory, Mr. Rowell, to give you all the details.

Q--I don't want the details, I just want the broad general outline ? A--Roughly, it was a development to make effective use of 6500 second feet of water which was

considered available at that time, under the Treaty restrictions, and it involved, as all the other subsequent schemes of development involved, the making use of the greatest proportion of the available difference in level between Lakes Erie and Ontario that was possible within the limits of commercial and financial feasibilities, as it were, and that conception, of course, held uniformly throughout all the subsequent ramifications of the scheme that led up to the final development as it stands. The primary factor in the original development, of course, was originally changed, that is, the carrying capacity of the Canal and the amount of water which we considered would be so surely available as to justify the position of carrying it efficiently. Can you suggest anything further ?

Q--I think you have already stated the Canal provision was 42 feet in width carrying a depth of 21 feet of water ?

A--Yes.

Q--Then there was no change in that plan or design during the year 1916 ? A--No, sir, I don't think there was.

Q--No. Then had you taken the opinion of any outside engineer or expert up to this time ? A--I don't remember the exact date, but we submitted our original computations on the design of the canal, and the waterway in general, to Mr. R. D. Johnson of New York City.

Q--I notice in his report that, apparently, was in October, 1916. In his report he speaks of verbal instructions received, October, 1916. A--I don't remember the date, I presume it is a matter of record.

Q--Then in the month of December, 1916, the Prime Minister of the Province wrote a lengthy letter asking for full information about the proposed work. You are familiar with the letter coming at that time, and the reply which the Commission sent ? A--Well, I would not say that I was officially familiar with it, Mr. Rowell. You see,

communications of that kind would not concern me direct.

Q--Except as it concerned the question of the estimated cost of construction ? A--Yes.

Q--I will just show you the letter, because I want to ask you something about it; perhaps, the reply of the Commission, signed by Mr. Pope on behalf of the Commission, January 12th, 1917, which quotes from the Prime Minister's letter will give you the information. I would ask you to look particularly at the answer to questions 5, 7 and 8, Mr. Acres ? A--5, 7 and 8 ?

Q--Yes, you can just glance through the letter.

THE CHAIRMAN; I have a spare copy here if you want to keep yours, Mr. Rowell.

HON. MR. ROWELL: Q--You see, question 4 is the time necessary to complete the work, and question 5 is the detailed estimated cost of the work ? A--Yes.

Q--In answer to question 5, the estimates of 1915-16, October 1915, No. 1 for the 100,000 installation \$10,410,000, and the 200,000 installation \$13,215,000. These estimates are repeated ? A--Yes.

Q--With this statement:

"Recent advances in the cost of Hydro-Electric machinery indicate that it will be necessary to increase these estimates 15 per cent up to a possible extreme maximum of 20 per cent. As against this, however, it may be mentioned that both of these estimates include an item of 25 per cent for engineering and contingencies, which it is expected will absorb the greater portion of this advance in the cost of machinery, more especially in view of the economies which are sure to be effected by the Commission as a result of doing the work themselves." Then, I think, in a letter of the chief engineer's,

which accompanied this, he expressed the same opinion, in other words, that if the Commission undertook the work themselves they should be able to effect such economies, having regard to the allowance of 25 per cent for engineering and contingencies, as would enable you to keep substantially within those estimates ? A--That is evidently the intention of the wording here, Mr. Rowell.

MR. ROWELL: Q--Evidently the intention of the wording. Now, did that represent your view at that time ?

A--Yes, it would.

Q--Yes, that represented your view ? A--Oh, yes.

Q--So that we may take it that, on January the 12th, 1917, your view was that the fair total cost of the work for 100,000 installation and 200,000 installation, respectively, would be, approximately, the figures here given ?

A--Yes, sir, my recollection of what is set forth here, as far as I am personally concerned.

Q--Now, the estimate furnished to the Government in 1922, that is, 5 years afterwards, shows a total estimated cost of \$65,365,603 ? A--Where is this, Mr. Rowell ?

Q--That is the estimate of February the 10th, 1922, submitted to the Government. You will find it in Mr. Francis' report ? A--Oh, yes, I have it here.

Q--Now, what I wanted to get from you, Mr. Acres, at the present time, if you will be good enough to let us have it, is, what changes in the plant and design of the canal, or of the works, were made between January, 1917, and February, 1922, which affected the cost of the development upon which those changes were made ? I am speaking now of the substantial changes ? A--Yes. Well, in the first place, of course, the outstanding change --

Q--Would you take them in chronological order, Mr. Acres, and I think, perhaps, this chart may aid us to follow it.

The first change, as I understand it, was the change in the capacity of the canal, as shown on diagram B of Exhibit 17, that is, you changed the canal from 42 feet in width to 40

feet, at least, you decided to change the canal from 42 feet in width to 40 feet, and to increase the depth from 21 feet to 31 feet? A--No, we did not do that, Mr. Rowell, this section B has nothing to do with our estimates at all.

Q--Well, did you decide to make that change?

A--No, I can give you the explanation of that in full, if you like.

Q--Well, just give it to us, all I want to do is to get at the facts.

A--The story of that is this, Mr. Rowell: When we made our original computation, having to do with the design and capacity of the original 21-foot waterway, we developed a method of our own which involved an elemental use of the calculus. It simply meant taking infinitely short sections of theoretical waterway and working out their characteristics, and developing the design of the waterway, until we had the scheme sufficiently extended to include the whole length of the waterway. We got what we considered was a fairly satisfactory result from that, and it was at that stage of the proceedings that we call in Mr. Johnson, and we submitted to him all our calculations, all our data, for check and for criticism for him to do anything he liked with. The result of that was Mr. Johnson's first report in which he advised some refinements in our work of designing the canal, which turned out to be very useful, and very important, and he included in his report a discussion of the economics of the canal, and he derived a section on the basis of the data which we submitted to him, which apparently showed a better waterway from the standpoint of

capacity and economics. That was the 21-foot waterway, and, I might say that that diagram B is related to this investigation simply in the form of an idea which gave us our lead for designing the 10,000 second feet waterway.

During the time that Mr. Johnson was making those investigations we had not been idle; we were still thinking and planning, and the load was increasing, and, by the time you got his report we were beginning to turn over in our minds, the necessity, and feasibility, of increasing the size of the waterway, and Mr. Johnson's report, and method of calculating the characteristic features of an open waterway came, more or less, at a psychological time for us to apply his methods to the design of the 10,000 second feet waterway.

At that time, I may say that what you have here, known as Section B, was never a factor in our design, so far as estimating was concerned. It was a factor in our design only insofar as the idea was concerned, that Mr. Johnson gave us, and we developed that idea in the design of the 10,000 second feet waterway.

Q--Then you never made any estimate of the cost ?

A--There never was any estimate for a 31-foot waterway.

Q--Then the first real change you made was what ?

A--Was the increase from 6500 second feet waterway to 10,000 second feet waterway.

Q--Is the 10,000 second feet shown in C ?

A--I presume that it is, yes.

Q--On Exhibit 17 ? A--Yes.

Q--Then, when did you decide to make that change ?

A--Well, I think that decision culminated in the fall of 1917, wasn't it ?

MR. GABY: The spring.

A--I mean the estimates. Apparently, the date of the

estimates here in Mr. Francis' report is November, 1917.

We had been working on the scheme all that summer, of course.

Q--All that summer? A--Yes.

Q--And your estimate is dated when?

A--November 27th, 1917, is Mr. Francis' date here.

Q--Yes. Was that a completely new estimate of the whole work, or was it based on the original estimate adding the additional cost of the enlarged work?

A--It was a completely new estimate, Mr. Rowell, compiled on the basis of much fuller and more complete data than we had at the time the original estimate No. 1 was made.

Q--Had you commenced the work prior to this time?

A--No, not the work in connection with the canal. Perhaps I had better explain that rather at length too, because there seems to be some misapprehension. For six months previous to January, 1917, we had been investigating, very carefully, the possibilities and probabilities, in connection with devising some cheap and expeditious method of handling the outstanding problem in connection with that waterway, and that was the removal of the overburden, that is, the earth overlying the rock. That was the uncertain problem in connection with the scheme, and, as a result of our investigations, we decided, first, that this material could never be taken out with what were then known as steam shovels, and it could only be taken out with shovels of a type much larger and more powerful than were customarily used, really than had ever been used on work of that character before, and, after consultation with the manufacturers of that class of equipment, we finally found a firm, the Bucyrus Company, of Milwaukee, who would be willing not only to build shovels of the size and weight and power that would be needed for that work, but would be willing to electrify those shovels instead of depending on steam operation, as had previously been done with plant of that

kind.

Negotiations with these people reached a stage in January, 1917, when we knew definitely what they could do for us, and we knew definitely what they could sell us, the machines that were required for use, and they gave us a quotation which was subject to revision practically without notice, and our scheme had been developed, at that time, sufficiently far so that we were able to decide and know the type of plant, and the minimum quantity of plant that we would need, to construct any development there, of the capacity and type that we had in mind, so that we were perfectly safe at that time.

I, as an Engineer, recommending a certain line of procedure, considered myself perfectly safe, as I say, in recommending to my superiors that this plant should be purchased, at that time, in order to take advantage of a quotation which then held good but which was liable to be cancelled at any time, on short notice. As I say, the 10,000 second foot scheme was turning over in my mind, and I knew that whether we designed a 6500 second foot development, or 10,000 or 20,000, that plant would be needed as a minimum, consequently, in the spring of 1917 a certain amount of plant was estimated, and in May, 1917, we turned the first sod on the work, and that work which was done during 1917, and the early part of 1918, was of such a nature that it was applicable to any development that could have been conceived. It was wholly in connection with the layout of the auxiliary services, such as the location and building of repair shops, of camps, and of compressor houses, and, more important of all, of the construction of the railway, which was a piece of construction common to any size of development of the preconceived type that we would ever put in there, and, during the whole of that year, and until the spring of 1918 nothing

was done, not a dollar was spent, which would, in any way, connect it with the original \$13,000,000 scheme as a 100,000 H.P. scheme.

Q--It would not, in anyway, connect it with --

A--With the 100,000 H.P. scheme, as it were.

Q--Well, then, was it connected with the 300,000, the larger scheme? A--It was connected with any scheme up to 500,000, Mr. Rowell. It was connected with any capacity that we might have found necessary to put in.

Q--Just as you are speaking on that, although it is a little out of the line of what I had intended asking at present, when did you commence the actual work on the Canal?

A-- The best and most efficient to fix that day would be by the date on which the first electric shovel went into operation. That was No. 1 shovel --

Q--Have you seen this report by Mr. Francis, the chronological charts?

A--Yes, sir, I have.

Q--You gave him the data, I presume, which is used there?

A--I notice here an entry in December of 1917, where Mr. Francis says: "Canal cut commenced by first electric shovel on December 1915, Shovel No. 3." That isn't what I was alluding to, that shovel was one of the small earth shovels, and started in what we call the Pilot cut. That was simply for the location of the lead tracks.

Q--Tell us what it does relate to? A--I will, no doubt, find that in a minute, Mr. Rowell. Apparently, the first entry having to do with one of the large electrical shovels, so far as I can see, was Shovel No. 2 commenced in canal cut on April 13th, 1918. That is rather funny, I thought that No. 1 shovel was the first. Oh, here it is. Shovel No. 1, first large electrical shovel commenced in canal cut on March 16th. So March 16th might be considered the date upon which we were irrevocably

committed to a design involving the removal of earth and rock to an extent greater than was necessary for 100,000 H.P.

Q--Yes, and the date on which you were irrevocably committed to a development of what capacity?

A--10,000 second feet. You see, our slope stakes and our line of grading for that shovel cut, were based on the assumption that ^a10,000 second feet waterway was going to be built with the help of that shovel.

Q--Will you just mark that, you are familiar with this?

A--I have seen that, yes.

Q--And does it correctly set forth the information there given? A--As far as I know, yes.

EXHIBIT NO. 18 : Filed by : Engineering data,
: Hon. Mr. Rowell, : chronological charts,
: 21st March, 1923. : prepared by Mr. Francis.

THE CHAIRMAN: Q--Mr. Acres, you spoke of having additional data when you made that report, data which you did not have when you made the original estimate?

A--Our contour surveys and our borings were more complete, Mr. Gregory.

Q--Is that what you refer to? A--That was the principal item, yes, as far as I remember. Now I might, if I had a chance to think it over, have had a little more, but what occurred to my mind when I made that remark was additional surveys and additional data as well with regard to the Welland River and the Niagara River, but the main item of additional information was some data with reference to the nature of the rock, and the location of the rock and, of course, we had much more precise data in connection with the type and cost of the construction plant we were going to use.

THE CHAIRMAN: I was just referring to the original data. A--The existence of that fact is very self-evident,

from simply looking at the two reports you can see in how much fuller detail the data is presented in No. 2 than it is in No. 1.

HON. MR. ROWELL: Q--Mr. Acres, have you any way in which you could tell us the date on which you got instructions to proceed on the basis of this 10,000 second feet development? A--No, sir, I cannot offhand.

Q--How long before you actually put that shovel to work the date you have given us, March, would it be having regard to the work of preparation which you must make?

A--I cannot say that, sir.

Q--Could you give us any estimate, within what limits?

A--No, I cannot. Well, I suppose I could too.

The limit would be some time between the date upon which this report left my hands and the date upon which the actual work on the 10,000 second feet waterway was commenced.

Q--Some time between November 27th, and what was the date in March you gave us, March 16th?

MR. GABY: It was a little later than that.

THE CHAIRMAN: Wouldn't you have received the instructions before you ordered the shovel?

MR. GABY: No.

WITNESS: What is that again?

THE CHAIRMAN: Q--Wouldn't the ordering of the shovel to some extent determine that? A--No, sir, I explained that, that the shovels were ordered altogether without any reference to any size of waterway. Those shovels would have been ordered for the 6500 feet second waterway. It was the type of plant we would have had to use for any type of waterway we decided to construct.

HON. MR. ROWELL: Q--Then what was the next change in plan or design that affected the question of cost?

A--The next change that materially affected the cost was the decision to line the canal with concrete.

Q--The decision to line the canal with concrete ?

A--Yes.

Q--Perhaps just before coming to that, were your estimates of the cost at that time on the basis of the 10,000 cubic feet per second for 300,000 immediate development, or \$24,316,815 ? A--Yes.

Q--For 200,000 immediate development, \$21,025,559 ?

A--Yes.

Q--And for 150,000 immediate development \$18,985,997 ?

A--Yes.

Q--Then, in your report accompanying these estimates, you gave your reasons for why you thought those figures would fully represent the total cost of the completed work on that basis . I just want to refer to this, have you got Part II Appendices ? A--No, this is Part I, here is Part II.

Q--I just want you to look at your report. Take the report on the 300,000 development. I notice, under the head of Capital Cost, Mr. Acres;

"As regards estimates of capital cost, it is to be noted that the tremendous advance which has taken place during the period of the war in the cost of labour and material has necessitated a very material increase in all estimates made during the pre-war period. Fortunately, for reasons here-under explained, this statement does not hold for the two main items of cost in connection with the scheme as a whole; namely, the cost of earth and rock excavation in the canal."

Now, my recollection is that your estimate, oh, yes, it is dealt with later on:

"Lacking definite knowledge, at the time, as to the extent to which the cost of rock and earth excavation in the canal would be affected by the use of the electric driven plant of large capacity, and in order to be on the safe side, all the earlier estimates of costs in connection with the canal work were figured on the basis of unit costs for earth and rock excavation which would obtain if the ordinary type of steam driven excavation plant were used. On the basis of this assumption a net unit cost of 30 cents per cubic yard of earth and \$1. per cubic yard for rock was used in all preliminary estimates.

Owing to the fact that the construction plant has been purchased, and that construction is now under way, it has recently been possible to compile an estimate of the unit cost of earth and rock excavation which is based on the actual installed cost of the construction plant, the actual existing rates for skilled and common labour, and a reasonably accurate knowledge of working conditions."

Then a little further down :

"The final figures for the net unit cost of earth and rock excavation as indicated by the above analysis may be considered as authoritative, and the safe basis upon which they have been derived is indicated by consideration of the following facts."

That represented your view of the situation at that time,
Mr. Acres ? A--Yes.

Q--Then in this same report, I see you state:

"In addition to a final 25 per cent allowance for engineering and contingencies, a liberal allowance

"for administration and other overhead charges has been previously included in the individual items of the cost analysis."

Then towards the end of your report, in this connection:

"In compiling the above estimate proper consideration has been given to recent and probable future advances in the cost of machinery, labour and materials, and each separate item of the estimate has been figured on a safe basis in regard to quantity and unit cost. Finally, to the total thus derived, an allowance of 32½ per cent has been added for engineering and contingencies and interest during construction, making in all a gross total of \$24,317,000 for 300,000 electrical H.P. installed."

That represented your view at that time ? A--Yes, sir.

Q--Looking forward to the future as well as considering the situation as it had developed up to that date ?

A--Yes.

Q--And you thought then you would make a liberal allowance to cover all possible future increases in cost ?

A--Yes.

Q--Then you said the next change was the decision to
line the canal, what was the occasion of that change M

A--The occasion of that, from my standpoint, Mr. Rowell, as I see it, was simply this, that in the interim war demands for power had become so enormous, and the demand subsequent to the war, had kept up to such an extent that it was quite evident to the Commission as I understand it, that the development, as we had conceived it, in its second stage, as it were, was still not going to be sufficient. At the same time, we had done a sufficient amount of work that we were more or less definitely committed to the general dimensions of waterway which

we had figured on this estimate No. 2. The overburden had been taken out to slopes which provided only for the width of rock section that the 10,000 second feet waterway called for. Our railway work was laid out with clearances which would have, undoubtedly called for expenditures and almost impossible conditions in the matter of widening the overburden excavation. So that the problem of meeting the demand for power, which we saw coming, had to be considered from some other basis,- it was a question of enlarging the physical dimensions of the waterway. We were definitely limited in the matter of width by reason of the work we had done at the time, we were definitely limited in the matter of depth by the plant we had doing the work. So that we had to think up some other scheme, if there was one to be thought of, for giving us an ultimate capacity which would be more in keeping with the then existing rate of increase of the load of the Niagara system, and we fixed on this method as the only possible means of obtaining that end.

Q--Yes. I thought you did increase the depth to 43 feet ?

A--We increased it 3 feet, that was the extreme limit to which we could consider deepening the cut.

Q--Then you decided, in order to get increased capacity, to do two things: To increase the depth to the extent of 3 feet, which was the maximum you could go ?

A--Yes, and to reduce friction by lining the canal.

Q--And to reduce friction by lining the canal ?

A--Yes, sir.

Q--Can you tell us when you decided to make those changes?

A--The only definite answer I can give to that, Mr. Rowell, is the date of the report that was made.

Q--Yes. Well, then, can you tell us of the date of the report you made on that; you reported on those points, I assume, recommending those changes, what was your report

on that ? A--The date Mr. Francis has got here is January 3rd, 1919.

Q--I am told that is a copy of one of your estimates, do you recall it ? A--Yes, I think it is, sir. I recognize the total at least, \$786,000.

EXHIBIT NO. 19 : Filed by : Appendix No. XIII to
: Hon. Mr. Rowell, : Estimate 2A compiled by
: 21st March, 1923. : Mr. Acres.

HON. MR. REWELL: Well, now, does this Appendix XIII to Estimate 2A, which has been marked Exhibit No. 19, represent your estimate of the total cost, as of January 3rd, 1919, with these changes made ? A--Well, I can answer that in this way, Mr. Rowell, that no re-estimate of the original estimate No. 2, as far as I know, had been made up to that time, and this \$786,000 was simply a balancing of the difference between the elimination of certain items considering that estimate No. 2, and certain new items introduced into the problem by the consideration of the concrete lining.

Q--Just let us take that aspect of it first: I see you estimate the increased cost due to the deepening of the canal, and to the lining, as \$1,763,200 ? A--Yes, sir.

Q--Then you estimate that there would be certain savings effected by the changes you made.

Q--Which would result in the net increase in cost of \$786,100 ? A--The net increase, apparently, was \$629,000.

Q--Oh, yes, net additional cost, then you add 25 per cent for engineering contingencies ? A--Yes, I added 25 per cent.

Q--If you add that up it gives you a net increase of \$786,100 ? A--Yes.

Q--So your total capital cost is \$25,102,915 ? A--Yes.

Q--Now, that estimate is dated January the 3rd, 1919. Is

that the estimate you reported at that time to your superior officers? A--I think so, sir, yes.

Q--And does that fairly represent, in your opinion --

HON. MR. ROWELL: Mr. Gaby, if you please, I think Mr. Acres is quite able to take care of himself.

THE CHAIRMAN: I think Mr. Gaby should not interfere. Mr. Acres is quite competent to look after those questions.

HON. MR. ROWELL: I am sure we will get along all right, and I will be perfectly fair with him.

WITNESS: I recognize that total of \$786,100 as a total that I had in mind at that time.

Q--Well, does this fairly represent, in your opinion the total estimated cost of the work at that date ?

A--Yes, sir, it did.

Q--At that date it did ? A--Oh, yes.

Q--And that is the work, as finally constructed, except the change in the intake ? A--That covers the outstanding changes.

Q--I mean the outstanding changes, A--There were many changes made in the plans, Mr. Rowell, that materially affected costs, that were made on short notice, sometimes overnight. That is really why I was over there so that that could be done.

Q--Well, I am dealing with the changes of design ?

A--The outstanding changes in design are the ones that have been taken up .

Q--Then can you tell me when you reported this change to your superior officers, Mr. Acres, have you any record that will enable you to say ? A--I did not report it to the Board, sir, I reported it to the Chief Engineer.

Q--I mean to your superior, the Chief Engineer ?

A--Take when Mr. Francis got a copy of the report, and I suppose that would be the date ? A--Perhaps it is, but I

do not see anything else, simply the estimate, Mr. Acres, there may be something else. A--Of course I cannot swear to this date of January 3rd. I can only assume that that is the date Mr. Francis has taken from the data he was supplied with.

Q--I asked him this morning and he told me it was ?

A--Well, then, that must be correct.

Q--But I do not find any report included in Mr. Francis' reports other than simply the estimate itself.

A-- What I do not recollect, Mr. Rowell, is: I see Mr. Francis has called this estimate 2A, an estimate for \$25,102,915. I have no recollection of having compiled an estimate of \$25,102,915 on that date. I think Mr. Francis, possibly, has simply arrived at that figure himself, by adding my additional cost of \$786,100 to the old Estimate No. 2.

Q--Well, he may be in error, but I asked him expressly on that point this morning, and he said No, but the thing to do would be to get your memorandum ?

A--I don't think that is an important point. The detail here is self-evident. It is an addition to the original estimate.

Q--The only point I want to get was if that, and you have told us, as I understood you, that that did represent your opinion of the estimated total cost as of January, 1919 ? A--Yes.

THE CHAIRMAN: You must not interfere, Mr. Lucas.

HON. MR. LUCAS: I thought we had some rights and privileges here, I think Mr. Rowell will concede that we have .

THE CHAIRMAN: You are continually interfering with the witness.

HON. MR. LUCAS: I will not submit to that, this is the first time I have spoken this morning.

1881

Journal of Management Studies, 19(1), 67-80.

It is Counsel that I am appealing to. I am appealing to Counsel to say that that is not, as I understand it, Mr. Acres' statement. He revised that, he added that to the old estimate.

HON. MR. ROWELL: Yes.

WITNESS: I answered your question, Mr. Rowell, before you had finished asking it. I said "Yes" before you finished asking the question.

Q--I will ask it again, because I thought you had answered it in the same way. If it isn't your view I don't want it. What I asked you, Mr. Acres, was this, if that total figure, as given there, was the estimate No. 2, with the additional cost added, of the changes you have outlined, fairly represents the total estimated cost, according to your judgment, on the 3rd of January, 1919 ?

A--Yes, sir. It was the only available estimate at that time. There had been no re-estimate of the original estimate of \$24,000,000 odd. The \$786,000 has been added, as an item of extra cost.

Q--Now, did you, at this time, consider any re-estimate necessary? A--No, sir.

Q--No, you did not consider any re-estimate necessary at that time ? A--No. This particular estimate involved rock and concrete. The work-work in the canal had not been started at that time.

Q--Then, just to make this point absolutely clear, so that there will be no misunderstanding, had any change taken place in the conditions between the date you made Estimate No. 2 and the 3rd of January, 1919, which would lead you to revise Estimate No. 2 ? A--No, sir. I still considered that the contingency we had provided in Estimate No. 2 was sufficient to cover the cost of the work, in view of the amount of work that had been done up to this date.

Q--That is what I understood your testimony to be?

A--The main items had not been touched up to this time, that is, the rock excavation in the canal and the concretework.

Q--That is as I understood you. Then can you tell me when you got instructions --

HON. MR. LUCAS: Mr. Rowell, may I submit, through you, this question to Mr. Acres.

THE CHAIRMAN: Mr. Rowell, should Mr. Lucas interrupt at this stage of your investigation? He will have a chance to ask Mr. Acres all the questions he wants. I do not think he should interfere at this time.

HON. MR. LUCAS: My appeal was to the Counsel.

THE CHAIRMAN: You can appeal to me, Mr. Lucas, if you wish to.

HON. MR. LUCAS: Mr. Rowell intimated to me that we could ask any questions, through him, that we desired.

HON. MR. ROWELL: If Mr. Lucas would submit the questions he wishes asked, not to interrupt now, if there is any point that is not covered, if he will let me know, why, I will ask any questions he wishes asked of the witness.

HON. MR. LUCAS: Of course, in an hour or two from now the point is gone.

THE CHAIRMAN: I do not think you should try to put questions.

HON. MR. ROWELL: If you will note it, Mr. Lucas, I will come to it.

Q--My question was this, Mr. Acres, are you able to tell me the date upon which you got instructions to proceed with the work on this revised basis? A--I presume it is on record, Mr. Rowell.

Q--Perhaps you can tell us the procedure, what form would your instructions take, a letter to you?

A--It would probably take the form of a memorandum from the Chief Engineer.

Q--Would that also apply to the proceeding on the change from 6500 to 10,000 cubic feet per second?

A--It might, sir, yes.

Q--Well, then you would kindly have that turned up for us just to see what memorandum, if any, you have of instructions from the Chief Engineer authorizing you to proceed with these changed plans? A--Yes, sir. That is rather a long time ago, I don't have any distinct recollection of it.

Q--Well, you can look through what memorandums you have, Mr. Acres. If you haven't got it, why, of course, we cannot get it, but just do your best to refresh your memory by whatever sources may be available, so as to give us the most accurate information you can.

A--We had a great many things to think about in March, 1918.

Q--I quite appreciate that, Mr. Acres. A--It was a pretty warm time for everybody, I think you realize that yourself.

Q--I would assume, Mr. Acres -- perhaps I am wrong in this -- that for an important change in plans involving substantial increase in the capacity of the canal, and an important change in cost, there would be instructions?

A--Yes. What I merely wanted to point out was that, at a time like that, it is rather hard to remember certain incidents.

Q--Oh, yes, but one would think you would get instructions in writing in a matter of that kind? A--Yes, sir.

Q--And, if you had them, we would like to have them, that is all? A--Yes, sir, certainly.

Q--Now, then, was there any other change of design of importance after that? ~~xxx~~Yes, there was the change in the intake. Can you tell me when you reported on that change?

A--I wonder if that is in Mr. Francis' records here ?

Q--I think it is somewhere, but I haven't got the date. It is noted in Mr. Francis' report as late in 1919. I inquired of him and he said he had not been able to ascertain the exact date ?

A--My recollection of that is that it was a recommendation submitted on the basis of the reports of our Consulting Engineers, and the experiments we made at the Dufferin Islands, and was simply a matter of estimating the probable cost of the ultimate design, as decided on, and asking for the approval to go ahead with the work on the basis of that design, and at that cost.

Q--Perhaps this will refresh your memory. In Mr. Gaby's letter to Mr. Francis, outlining the development, the following appears ?

"During the year 1918-19, and subsequent to the submission of the last report and estimate, field experiments were carried on for the determination of the best type of intake to be used for ice diversion at Chippawa. These experiments and tests were carried on at Niagara Falls on actual models of a scale of 1-20 to determine the best type of intake."

Do you recall that ? A Yes.

Q--Then it proceeds:

"Reports were prepared and submitted on these experiments as made at Dufferin Islands, covering the first season of 1918 and the second season of 1919, with photographs of the models used and the various data obtained from such experiments." Then it goes on to deal with the character of the design, and the following appears:

"The reports of the engineers were submitted to the Commission and it was decided to adopt the recommended intake design. This decision involved an increased estimated expenditure of \$1,922,720 over that provided for in the Estimates No. 2 and 2A of 1917 and 1919."

Does that refresh your recollection on the point, Mr. Acres, so that you can speak ? A--No, it does not. However, I presume that is a matter of record that Mr. Gaby can testify to.

Q--This is in Mr. Gaby's letter to Mr. Francis, and gives this as the increase for that, provided for in estimates No. 2 and 2A ? A--Yes.

Q--But you did report on the increased cost that would be involved in the change of intake ? A--Yes, sir.

Q--And recommended that the change should be made ?

A--My department prepared the final designs and, of course, made the estimates of what that design would cost.

Q--Yes. Now, then, I do not know whether this was an estimate, or whether it is your former estimate just with this amount added: If you will see in Mr. Francis' report there --

THE CHAIRMAN: What page is that ?

HON. MR. ROWELL: K 17.

Q--Mr. Francis' note here says "Present intake added" ?

A--I presume that is correct, sir.

Q--Then that would show a total estimated cost on the basis of the present type of construction and capacity, of \$27,025,635 ? A--Presumably, yes.

Q--Now, can you tell me, Mr. Acres, what was the next estimate that you made of the cost of the entire work ?

A--I do not think there was any estimate made after that, Mr. Rowell, by me.

Q--By you ? A--Until the Cooper estimate was made.

Q--Until the Cooper estimate was made ? A--Yes.

Q--Well, did you make another estimate of any kind ?

A--No, sir, I did not.

Q--You never made one yourself ? A--No.

Q--Have you never made an estimate up to this date ?

A--The only estimate I made, the next estimate I made after that, was the estimate that was made in consultation with Messrs. Stewart & Kerbaugh. That was the only estimate I had anything to do with, and, of course, my duty there was simply to supply such information as I could to assist them.

Q--Well, did their estimate carry your judgment ?

A--Yes, sir, it did.

Q--Then, would you accept their estimate as fairly representing their opinion of the total cost to complete the works as of that date ? A--I thought it was reasonable at that time, Mr. Rowell, yes.

Q--You thought it was reasonable ? A--Yes. You see, at that time, there was a very large portion of the earth-work still to be completed and practically 75 to 80 per cent of the rock-work and all the concrete.

Q--Their estimate, apparently, is dated September 30th, 1920. A--Yes, sir.

Q--And that is a combination of the expenditures up to that date plus the estimated cost of completion ? A--Yes, sir.

Q--The first estimate covers a canal with an estimated capacity of approximately 500,000 H.P. with an immediate development of 250,000 H.P., at an estimated cost of \$43,271,759 ? A--Yes.

Q--Then the next estimate is of 450,000 present ^{feet} installation, 15,000 cubic per second diversion, canal capacity of approximately 500,000 H.P., and a total estimated cost of \$52,271,759 ? A--Yes.

Q--And then another one, on 250,000 present installation,

22,000 cubic feet diversion, and 660,000 H.P. canal capacity ? A--Yes.

Q--And did you not proceed on that ? A--No.

Q--So the two estimates Stewart & Kerbaugh gave on the work, on which you were actually to proceed, are the ones for the 250,000 immediate installation, and the 450,000 ? A--Yes, sir.

Q--And are \$43,000,000 and \$52,000,000 respectively ?

A--Yes, sir.

Q--Now, you concurred in that estimate at that time as fairly representing what, in your opinion, would be the total cost of the work completed, up to these capacities ?

A--Yes, sir.

Q Now, have you made any estimate, since that date, of the total cost of completion ?

A--Practically all the estimates that were made since that time, Mr. Rowell, were made by the Consulting Engineers.

Q--By the Consulting Engineers ? A--Yes, Engineers that we had engaged.

Q--You have not made any yourself ?

A--No, sir. The final estimate we have made is in Mr. Francis' hands at the present time, the estimates we were asked to make by the Inquiry Commission.

Q--Is that the one Mr. Francis noted here on the 300,000 development, \$64,370,000 ? A--No, sir, I don't think that is.

Q--I was wondering where that estimate came from ?

A--We were asked for estimates compiled on the basis of what the work actually done would have cost if done on the basis of 1916 prices.

Q--No. If you will look, Mr. Acres, this first estimate, the one I have mentioned, is on the basis of five units complete, combination of expenditures and estimates? A--Yes. Well, I don't quite understand

what that note means, Mr. Rowell. I am sorry I haven't had time to read this report.

Q--We will look at that Appendix 18 and see just what it refers to.

A--I think I know now, sir. Those estimates were compiled at the request of the Inquiry Commission. That means combination of our actually recorded expenditures up to a certain date plus the estimated future expenses to complete to the point specified in his preliminary data here, that is the point.

Q--Then does that figure, namely, \$64,370,000 represent, in your opinion, a fair estimate of the cost to complete the work up to the capacity of 300,000 H.P.

A--Yes, insofar as it concerns the portion of the work on which I estimated, Mr. Rowell.

Q--Then the \$74,677,000 --

A--The same remark applies.

Q--The same thing, on the basis of 500,000 H.P. installation ? A--Yes, sir.

Q--And the \$80,729,000 would represent the estimate on the basis of 550,000 H.P. installation ? A--Yes, sir.

Q--Then can you tell me this, Mr. Acres, an estimate of \$65,365,603 for a canal capacity of 500,000 H.P., present installation of 300,000 H.P., was submitted to the Prime Minister of the Province on February 10th, 1922, according to this statement, who prepared that estimate ?

A--I presume that would be prepared by the Chief Engineer, Mr. Rowell.

Q--You did not prepare it yourself ?

A--I could not prepare an estimate of that kind, you see, because that provides for the total estimate, and the estimates in which I am interested in are only part.

Q--I see that is about a million dollars more than your estimate in January, 1923 ? A--Apparently it is, yes.

Q--That is an estimate on the basis of the work as planned and actually constructed ?

A--I would assume that. Naturally, we have more information, and had more information of a definite character. It would indicate that our anticipated costs were less than our actual costs, or, rather, that our actual costs were less than the anticipated costs by about a million dollars. That is what the totals would show on their face.

Q--Yes. Mr. Acres, Mr. Lucas would like me to draw to your attention this, that is, this estimate 2A and ask you, if you considered, in that estimate, the changes, if any, in the cost of labour and material between the date of the former estimate, No. 2, and the date on which this estimate 2A was prepared ? A--We did, in this way, Mr. Rowell: We realized that a certain increase had taken place during the interim. I think I mentioned the fact, that at that time I did not consider the increase which had taken place was sufficient to warrant any anticipation that our contingency allowance would be exceeded. That was my own personal viewpoint at the time I considered that particular problem. I might explain that a little further, or at a little greater length. Up to that time, the work we had been doing had been done under rather disadvantageous circumstances. The earth-work was just beginning to get properly organized, we had got the preparatory work done, and the construction railway was in a fair way to being put in efficient operation and, as I considered it, we were only, at that time, arriving, or were then on the threshold of the period when we would realize the full economy of efficiency out of the construction plant which we had purchased to put on that work. Nothing had been taken out in the rock section of the canal

whatever to be absolutely specific. No. 1 shovel had just been at work three days on rock, on the date of this particular estimate, January 3rd, and we hadn't any idea, other than our forecasts, as to what the economy of that big shovel was going to be in rock, and I hadn't any reason to doubt that we would realize the economies ~~with~~ that type of plant that we anticipated when the original report was made. I thought that we would with the conditions under which we were going to work from then on, with the preparatory work done, with no serious railway crossings, or obstacles of that kind, and I can assure it had not been driven into my head at that time that we were ever going to have to common labour a dollar for an hour's service --

Q--Well, the question of cost we are going to go into later. All I want today is in connection with the estimates, subject to your looking up for us, Mr. Acres, the instructions you got, and the date, in connection with the different changes in plant. That is all I wish to ask you just now, Thank you very much, unless the Commission want to ask you any questions.

THE CHAIRMAN: No.

HON. MR. ROWELL: There is nothing further you wish, Mr. Lucas ?

HON. MR. LUCAS: No.

HON. MR. ROWELL: Perhaps, Mr. Acres, there is one question you could help on. Exhibit 4, that is a letter from the Secretary of the Commission to the Acting Prime Minister on April 24th, 1916, the Commission asks the approval by the Government of the plans and reports submitted by the Commission, and on file with the Government, for this work. I wanted to ask you about the plans. Yesterday, Mr. Gaby produced for us the plan of the works dated January the 7th, 1917. I want to get from you the date the plans

1871, and it is the only one of the kind.

The first of these is the "The Great

and the second is the "The Great

and the third is the "The Great

and the fourth is the "The Great

and

and the fifth is the "The Great

and the sixth is the "The Great

and the seventh is the "The Great

and the eighth is the "The Great

and the ninth is the "The Great

and the tenth is the "The Great

and

and the eleventh is the "The Great

and the twelfth is the "The Great

and the thirteenth is the "The Great

and the fourteenth is the "The Great

and

and the fifteenth is the "The Great

and the sixteenth is the "The Great

and the seventeenth is the "The Great

and the eighteenth is the "The Great

and the nineteenth is the "The Great

and the twentieth is the "The Great

and the twenty-first is the "The Great

and the twenty-second is the "The Great

were submitted to the Government and their approval asked?

A--It is such a long time ago.. Evidently plans were submitted, and there should be no difficulty in finding them.

Q--Will you kindly have that turned up, in addition to the other information that I want ? A--Yes.

MR. POPE: They ought to be on file in the Department.

HON. MR. ROWELL: What I want to get is such plans as were submitted to the Government when their approval was asked.

A--All right.

W. W. POPE, Examination resumed by HON. MR. ROWELL

Q--Now, Mr. Pope, coming back to the letter of the Prime Minister of March 18th, 1920, referred to in the minute of March 23rd, 1920. Perhaps this had better be marked as an Exhibit.

EXHIBIT NO. 20 : Filed by : Letter of the Prime
: Hon. Mr. Rowell, : Minister, 18th March,
: 21st March, 1923.: 1920.

Q--Can you tell me, Mr. Pope, if the Commission took any further action in reference to the Prime Minister's letter, and request for information, as to the total cost at that time, or subsequent to it, in order to comply with the request of the Prime Minister, as to the estimated total cost ? A--What is the date of that again, sir ?

Q--The date of the letter is March 18th, 1920, and the date of the minute of the Board is March 23rd, 1920 ?

A--Your records will show what the minutes show more quickly than I can find it.

Q--The only reference in this particular minute is:

"It was carefully considered and ordered to be filed, the Chairman having interviewed the Prime Minister in that respect."

Now, that may be the final action, so far as the Commission is concerned ? A--My recollection of it is that the Chairman had seen the Prime Minister. I know that the Premier saw the Chairman; they saw each other repeatedly about that time.

THE CHAIRMAN: Was the letter ever answered ?

A--Well, I don't know that it was formally.

HON. MR. ROWELL: Q--We haven't got a copy of the answer if one was sent ? A--I cannot say as to that.

Q--Speaking from the standpoint of the Commission itself, Mr. Pope, can you tell me what was the occasion for calling in the experts to report, the outside experts, on the cost? Was that due to the request of the Government for information, or was that the action of the Commission on its own account?

A--No, I think that was the action of the Commission on its own behalf after having consulted with the Government as to the propriety of doing so. I know that, in some instances, they did consult the Government, but just to what extent that was done, or just how it was brought about, I am not personally familiar.

Q--I notice in Mr. Gaby's letter to Mr. Francis, in chapter K, Part I, he states:

"In the year 1920 the Government requested a report from the Hydro-Electric Power Commission upon the estimated cost of the Queenston-Chippawa development and its probable date of completion, in answer to which request the Commission employed Consulting Engineers,- the Government concurring in this action -- to prepare a report on the cost of the Queenston-Chippawa development."

A--Yes, that happened I know. I think the Government took their own way of inquiring into the matter.

Q--Yes. Then this statement will be correct?

A--That was shortly after the change of Government.

Q--After the change of Government? A--They wanted the information.

Q--The Government requested a report on the total cost and, as a result of that request, these experts were retained by the Commission to report? A--They had had experts in prior to that.

Q--I know, but I am speaking now of these reports?

A--Yes.

Q--And the report that Mr. Acres has referred, of Stewart & Kerbaugh, was one of the reports prepared pursuant to this instruction, was it ? A--I believe so.

Q--And the other report was, I see, according to this letter, prepared by Mr. Cooper ? A--Well, there was Mr. Stewart --

Q--Stewart appeared there all the way along. Mr. Gaby's letter states:

"Accordingly, Mr. Hugh L. Cooper and Mr. R. D. Johnson were appointed to prepare reports on various parts of the work, Mr. H. L. Kerbaugh and Mr. R. S. Lea also prepared reports during the summer of 1920."

A--I know Mr. Stewart was there, he gave evidence before.

Q--I am only speaking of Mr. Gaby's letter. Then can you tell me this, Mr. Pope: Had the Commission any information itself as to the probable cost of the work, the total cost, between the estimate No. 2 of January the 3rd, 1919, and the date upon which you got these reports from the experts ? A--Well, the estimates went in from time to time asking for money for the work.

Q--I know, but I am dealing now wholly with the total cost of the work ? A--When finished ?

Q--When finished ? A--I don't know whether they had or not. The estimates went in with particulars, and that sort of thing?

Q--I know, yes. Can you tell me this: As Secretary of the Commission, did the Commission, during this period, ever ask for a report from their own Engineers, as to any increase in the total cost to complete the work over the estimate of the 3rd of January, 1919 ? A--I know that at the various meetings of the Commission, when Chippawa matters were being dealt with hundreds of entries took place during those intervals. As I have told you before, a very complete and

lengthy discussion on the work generally took place.

The Chief Engineer, of course, was always present at those meetings to make any explanation required.

Q--Yes. I am not able to find any minute, Mr. Pope.

A--That would not appear in the minutes, because, as I tell you, the minutes show it was generally and carefully considered, and then the particular matter that was before them was dealt with.

Q--Yes. Let me just put a question to you, because I would like, if there is any further information to be given on it, to have it. I am not able, so far as I have been able to have the minutes checked over, to find anything in them indicating that from January the 3rd, 1919, up to the date when you got these reports from the experts, at the request of the Government, the Commission requested any report from its own engineers as to the probable total cost, if there was to be an increase, or that any report was made to the Commission of an increased estimated total cost, giving the estimated total cost?

A--I think that would be dealt with when the estimates were being asked for my recollection is, but not specifically in the minutes.

Q--Well, we cannot find anything in the minutes. If there is anything in the minutes on it which we have overlooked I will be glad to have it checked up?

A--I don't imagine you have overlooked anything.

THE CHAIRMAN: Q--Mr. Pope, you spoke of estimates being brought before the Commission, what would they be?

A--They would be the estimates going to the Government for additional money from year to year.

Q--Did you always send an estimate to the Government when you made application for an appropriation?

A--The estimates came up every year, what we required, the same as now, for the different works.

Q--That would be an estimate of the amount that would be required for that year ? A--Yes, sir.

Q--That would not cover a longer period ? A--No, you cannot cover more than the one year.

Q--Oh, yes, you can make estimates for ten years ?

A--No.

Q--That is the appropriations you speak of, but the estimates you submitted to the Government, they just cover the period, - when you speak of estimates are you referring to appropriations ? A--Appropriations required to carry on the work.

Q--Those are not what we term estimates.

COMMISSIONER HANEY: Those are requisitions for money.

HON. MR. LUCAS: An estimate is the request for money to the Government.

WITNESS: We have always recognized it as an estimate, it might not be proper English.

HON. MR. ROWELL: Q--Well, then passing on to the year 1921, Mr. Pope, I find the Prime Minister again apparently anxious to get at the estimate of the total cost.

A--Here is, for instance, January 20th, 1921 -- are you that far along ?

Q--Yes, I want to get that. There is a letter from Mr. Lucas to Mr. Drury dated January 21st, 1921 ?

A--I find in this tabulation here of minutes, which we have been kindly furnished with now, at page 8, the 1921 estimates covering additional money required for the period from November 1st, 1920, to June 30th, 1921, together with the covering report forwarded by the Acting Chairman to the Premier, were submitted to the Board and approved, and the letter was left in the hands of Commissioner Carmichael to take up with the Premier at the earliest opportunity; the

covering letter referred to, dated January 20th, 1921, is quoted fully below.

HON. MR. ROWELL: That letter should be marked.

EXHIBIT NO. 21 : Filed by : Letter of January 21st, 1921,
: Mr. Rowell, : from the Acting Chairman to
: 21st March, 1923: the Prime Minister.

HON. MR. ROWELL: Q--Now, this letter reads:

"The Commission herewith submit the attached statement covering revised estimates of moneys required to carry on the work under way by the Commission for the period from November 1st, 1920, to March 31st, 1921,

less the amount already voted, by the Legislature --"

Now, the only point I want to deal with at present, Mr. Pope, is this: I do not find anything in this letter giving information as to the total estimated cost, it is just a request for an appropriation on account?

A--I have no doubt that is correct.

Q-- Mr. Lucas will perhaps remember what happened, or Col. Carmichael. I think the Chairman was away at that time?

A--I am sure he was.

EXHIBIT NO. 22 : Filed by : Letter from Homer Wallis
: Hon. Mr. Rowell, to J.W. Gilmour, Treasurer
: 21st March, 1923.: of the H.E.P.C., dated
: Feb. 12th, 1921.

HON. MR. ROWELL: That will be Exhibit No. 22, a letter from Mr. Homer Wallis on behalf of the Prime Minister, to Mr. Gilmour, Treasurer of the Hydro-Electric Power Commission, dated February the 12th, 1921, requesting further information. That is on page 45 of Chapter K of Mr. Francis' report in which the following appears:

"As I explained to you, it is very necessary that there should be a detailed statement covering

"each item showing the progress made with the work, the amount expended and the probable expenditure, also the object of the development and what is intended to be accomplished. In short, sufficient information should be given to enable the Government to answer any likely questions and to enable the House to fully understand the reasons and the advantages and the possible cost of each undertaking, just as the Engineer himself and the Commission will understand the matter.

I have already discussed this phase of the matter with Mr. Gaby and Mr. Pope and have pointed out the necessity for providing this information and the Premier hopes it will be available in good shape before the matter comes before the House."

A--What date is that ?

A--That is dated February the 12th, 1921. Do you recall that letter, Mr. Pope, and the statement of the acting Prime Minister that he had already discussed it with you and Mr. Gaby, pointing out the necessity for providing this full information, covering not only the amount expended but also the probable expenditure of the work ? A--I think I do.

Q--Now, did you, or did the Commission, in response to that letter, furnish the Prime Minister with an estimate of the total cost ? A--I imagine they did, I expect they would, and I have no doubt they did.

Q--You have no doubt they did. I haven't been able to find any written communication? A--That may be true.

Q--But, in a subsequent letter from Mr. Drury to the Chairman of the Commission, he states that the estimate given to him at that time was \$55,000,000 ?

A--How do you get it ?

Q--That is what I want to ask you, what data you had before you ? A--They frequently took them up, and took them over

delivered them. There might be no communication with them, that has happened.

Q--I am in error in saying that the letter ^{was} from the Prime Minister to the Chairman. I see it was from the Prime Minister to Col. Carmichael who was on the Board ?

A--He would forward it to the Commission.

Q--It is dated November the 10th, 1921,

EXHIBIT NO. 23 : Filed by : Letter dated 10th
: Hon. Mr. Rowell, : Nov. 1921, from Prime
: 21st March, 1923. : Minister to Col. Carmichael.

HON. MR. ROWELL: Q--In this letter from Mr. Drury, I notice he states:

"You will recall our conversation of some three weeks ago in which you pointed out to me the fact that the estimates for the first five units of Chippawa were certain to run to a very considerable extent beyond those submitted by you to the House last April. You will further recall the meeting which was arranged between members of the Commission with the Chief Engineer, Mr. Gaby, and the full Cabinet, in which the entire situation was very fully discussed and a promise was made by the Commission that a full explanation of the increases would be submitted to the Government in the course of a few days. This explanation has not yet arrived, and as the Government is intensely interested, I would urge that you, as representing the Government on the Commission, should immediately take the matter up and see that this is done.

I need not point out to you the seriousness of the situation. You were assured by the officials of the Commission, and in turn assured the House and the

"country some seven months ago that the estimates then submitted to the House for their approval were ample for the completion of the first five units!"

A--That is what date, sir, again ?

Q--That is November the 10th, 1921:

"During the period which has elapsed since the voting of these estimates, conditions generally have been such as would lead to the reasonable expectation of a reduction in cost rather than an increase over estimates made at that time. The fact that not only has this not been the case, but that in spite of these conditions the estimates have been increased to an amazing extent is, to put it very mildly, a matter of great alarm to the Government and constitutes a condition which we cannot ignore. I trust that you will take this matter up energetically and see that reasons for this condition are immediately placed before the Government."

Can you tell me, Mr. Pope, if you were present at any of the meetings referred to with the Government ? A--No, sir.

Q--When the estimate was given in the spring of 1921, or in the subsequent conversations referred to ?

A--Not that I recall.

Q--That would be between the members of the Commission and Mr. Gaby, representing the Commission, and the Prime Minister ? A--And the Chairman, possibly.

Q--Col. Carmichael sends this on to Sir Adam Beck, the Chairman of the Commission, then Sir Adam Beck replies to Col. Carmichael, and Col. Carmichael sends it on to the Prime Minister, and then the Prime Minister replies and Col. Carmichael writes to Sir Adam Beck, that is it, that is the order. Now, the next I want to refer to then is Col. Carmichael's letter to Sir Adam Beck, dated

November 29th, 1921:

"Dear Sir Adam:

I have yours of the 18th instant in reply to mine of the tenth, enclosing letter from the Premier re the Queenston-Chippewa Development.

I regret that so much time has now been allowed to lapse since this matter was taken up with the Cabinet and the explanation which was mentioned in correspondence, promised. I think it is now nearly six weeks since the matter was discussed with the Cabinet and an explanation of the large increase, approximately Ten Million Dollars (\$10,000,000.00) required to complete the first five units, was promised by the Commission to the Government. Part of this money has already been advanced by the Government to the Commission, and the Commission is now requisitioning on the estimates for the fiscal year 1922.

I consider it extremely urgent that all the explanations and the reasons necessary should be forwarded to the Government without delay, and I regret being compelled to think that the matter is not being treated with the consideration which its importance warrants."

That is, I think, where I got the Fifty Five Million Dollars, perhaps. The estimate in 1922 was Sixty-Five Millions, Ten Millions in excess, I think, that is where I got the figure of Fifty Five Millions.

Then there is a letter from the Chairman of the Commission to the Prime Minister, dated February 2nd, 1922, requesting a further vote, a short letter:

" I beg to advise you that the Government appropriation in respect to Queenston-Chippewa

Development amounting to \$876,798.00 (Vote 113 - Item 1 - 1921 - 1922 Estimates) has become exhausted and, as it is necessary and expedient that this work be proceeded with, request that the sum of three million five hundred thousand dollars (\$3,500,000) be provided for by Special Warrant to take care of immediate commitments in respect to this work.

This request is made in compliance with requirements of the Power Commission Act, Section 24-b."

HON. MR. ROWELL: Those two letters had better be marked as exhibits.

EXHIBIT NO. 24: Filed by : Letter from Colonel
: Hon. Mr. Rowell, : Carmichael to Sir Adam
: 21st March, 1923 : Beck dated 29th Nov.1921

EXHIBIT NO. 25: Filed by : Letter from Sir Adam
: Hon. Mr. Rowell : Beck to the Prime
: 21st March, 1923 : Minister, dated
Feb. 2nd, 1922

HON. MR. ROWELL: Then the Prime Minister's letter in reply, of February 8th, 1922. This should go in as part of Exhibit No. 25, it should go in as part of the narrative, and I will put it in now, so that it will go in chronologically, and the reply from Sir Adam Beck to Mr. Drury, dated December 17th, 1921.

EXHIBIT NO. 26 : Filed by : Letter from Sir Adam
: Hon. Mr. Rowell : Beck to Prime Minister
: 21st March, 1921 : dated 17th Dec. 1921.

HON. MR. ROWELL: In this letter of December 17th, 1921, the Chairman of the Commission states:

" The estimates submitted by the Commission to the Government on 27th January 1921, for the appropriations required to carry on the work for the completion

of the first five units at a total cost of about \$55,000,000.00 were based upon actual estimates of the same Engineers."

Then he goes on to deal with the increase up to \$65,000,000.00. Can you tell me what the \$55,000,000.00 estimate was that is referred to in the Chairman's letter? A--Not without seeing the estimate, I cannot tell you. I presume that would be Stewart & Kerbaugh's, the Consulting Engineers, as I think Mr. Acres has told you, they prepared the \$55,000,000.00 report, or estimate.

Q--I do not find a \$55,000,000.00 estimate from them for this particular development. There is a \$55,000,000.00 from them in the estimates, appearing in Mr. Francis' report, but that is for a canal approximately of a capacity of 22,000 cubic feet per second, and, 450,000 horse power present installation, and a canal capacity of 660,000 horse power. Did you have an estimate from Stewart & Kerbaugh of \$55,000,000.00 for the five units installed? A--Does he state what date it is?

Q--For the completion of the first five units?

A--Does the Chairman state there the date it was filed?

Q--No. What he says is, the estimate submitted by the Commission of the 27th January, 1921? A--Well, that is a definite date.

Q--Appropriations required to carry on the work for the completion of the 6500 cubic feet development at a total cost of about \$55,000,000.00? A--That is a specific date, that ought to appear in Mr. Francis' report, somewhere.

MR. GABY: No, it doesn't, Mr. Pope.

COMMISSIONER HARRIS: 15C in the Appendix?

A--That would be the Stewart & Kerbaugh report with some

slight additions, I think.

HON. MR. ROWELL: That is an estimate for a canal with a flow of 22,000 cubic feet per second. You see, that is a different type of canal. I understood the Engineer to say that that was not used, those estimates, nor was such a canal built by them.

COMMISSIONER HARRIS: The only estimate I have seen amounting to \$55,000,000.00 is that second one there.

HON. MR. ROWELL: I agree, but I do not see that that applies to the present work, and that is what I wanted to get. We are still on the 15,000 cubic feet per second, for the canal, or work, as actually built. Sir Adam Beck refers to it being sent to the Government on January 27th, 1921. I do not find any letter of January 27th, 1921.

Q--Mr. Pope, I am ^{not}able, in any of the estimates, or documents which have been submitted to me, to locate any estimate of \$55,000,000.00, such as is referred to in the Chairman's letter to the Prime Minister?

A--Do you find an estimate of the date named there?

Q--I find a letter of that date, but it does not contain any estimate - A--One would think he must have had something in front of him.

HON. MR. ROWELL: It is five minutes to five, Mr. Chairman. Perhaps we might rise here and check up this point.

THE CHAIRMAN: Will you begin with Mr. Pope in the morning?

HON. MR. ROWELL: Yes, we will begin with Mr. Pope; we will have Mr. Pope and Mr. Gaby.

THE CHAIRMAN: Do you think they will occupy the entire day?

HON. MR. ROWELL: I would think so. If we need any

more, why, we will let them know at noon, Mr. Chairman.

THE CHAIRMAN: Very well, then. We will adjourn until ten thirty to-morrow. You will be here in the morning, Mr. Pope?

MR. POPE: Yes.

Proceedings stand adjourned at 4:55 p.m.

Wednesday, 21st March, 1923, until
10:30 a.m. Thursday, 22nd March,
1923.

